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Vermont

Annual Financial Report

Fiscal Year Ended June 30, 1989

BUDGET AND MANAGEMENT
(802) 828-2376

FINANCIAL OPERATIONS
(802) 828-2311

STATE OF VERMONT
DEPARTMENT OF FINANCE AND MANAGEMENT
MONTPELIER, VERMONT 05602

December 31, 1989

Honorable Madeleine M. Kunin, Governor;
Honorable Thomas P. Menson, Secretary of Administration;
Honorable Members of the General Assembly;
and the General Public:

In accordance with the provisions of Title 32, Vermont Statutes Annotated, Sections 101 and 182, we hereby submit to you the Annual Financial Report of the State of Vermont for the fiscal year ended June 30, 1989. The information presented herein describes the State's financial position and results of operations as measured by the financial activity of the various funds within the limitations of cash basis accounting. Disclosures necessary for the reader to gain an understanding of Vermont's financial affairs are included in the notes section of this report.

The preparation of this report could not have been accomplished without the work of our dedicated staffs and the cooperation and assistance of many state departments.

Respectfully submitted,

Patricia S. Walton
Commissioner, Finance & Mgnt.

Paul W. Ruse
State Treasurer

PSW:lck

State of Vermont
Annual Financial Report
For the Fiscal Year Ended June 30, 1989

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FINANCIAL SECTION

ALEXANDER V. ACEBO
AUDITOR OF ACCOUNTS

MAURICE T. KEEFE
DEPUTY AUDITOR OF ACCOUNTS

STATE OF VERMONT
OFFICE OF AUDITOR OF ACCOUNTS
132 STATE STREET
MONTPELIER, VERMONT 05602
TEL: (802) 828-2281

December 29, 1989

Speaker, House of Representatives
and
President Pro-Tem of the Senate
General Assembly, State of Vermont
State House
Montpelier, Vermont

We have audited the accompanying general purpose financial statements of the State of Vermont, and the combining, individual fund and account group financial statements of the State, as of June 30, 1989 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Department of Employment and Training's Unemployment Compensation Trust Fund and Contingent Trust Fund, which represent 20 percent of the assets of the Fiduciary Funds and 71 percent of the revenues of the Expendable Trust Funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Unemployment Compensation Trust Fund and Contingent Trust Fund in the Fiduciary Funds, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

As described in Note 1, the State prepares its financial statements for all its governmental funds, with certain exceptions, on the basis of cash receipts and disbursements. The State's governmental funds include the General Fund, Transportation Fund, Fish and Wildlife Fund, Special Fund, Federal Revenue Fund and Capital Projects Funds. This practice differs from generally accepted accounting principles and is therefore not in accordance with the State's

statutes governing the preparation of its annual financial reports. Accordingly, the accompanying financial statements for the aforementioned governmental funds are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

As described more fully in Note 1, the financial activities of the Vermont State College system and various State-created boards and authorities are not included in the financial statements referred to above nor has the State made a determination as to whether those other entities should be included therein to conform with generally accepted accounting principles.

As described more fully in Note 1, the financial statements referred to above do not include a Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual for the General and Special Revenue Funds as required by generally accepted accounting principles.

As described in Note 1, the State includes in its Long-Term Debt Account Group only those long-term liabilities for the payment of general obligation bonds and notes. It does not include a liability for any long-term portion of employees' earned accumulated vacation and other compensated leave benefits as required by generally accepted accounting principles.

As described in Note 1, the financial statements referred to above do not include a general fixed assets account group, which should be included to conform with generally accepted accounting principles. Because the State does not maintain accounting records for its general fixed assets, the amount that should be recorded in the general fixed assets account group is not known.

As described more fully in Note 5, the State has not reported all necessary disclosures related to its public employee retirement systems which are required by generally accepted accounting principles.

In our opinion, based upon our audit and the report of other auditors, except for the matters referred to in the preceding paragraphs, the financial statements referred to above present fairly, in all material respects, the assets and liabilities resulting from cash transactions of the governmental fund types and the financial positions of the proprietary and fiduciary fund types and long-term debt account group of the State of Vermont at June 30, 1989, and the governmental fund types' revenues collected and expenditures paid, and the results of operations of the proprietary and fiduciary fund types and the changes in financial position of the proprietary funds and nonexpendable trust funds for the year then ended, on the basis of accounting described in Note 1 for the governmental fund types and in conformity with generally accepted accounting principles for the proprietary and fiduciary fund types.

Alexander V. Acebo

Auditor of Accounts

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GENERAL PURPOSE COMBINED FINANCIAL STATEMENTS

STATE OF VERMONT
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1989

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
ASSETS			
Cash and Temporary Investments (Note 1)	$ 19,372,237	$ 42,599,541	$ 34,488,011
Investments (Note 3)			
Receivables:			
Accounts (Net)			
Contributions			
Investment Principal and Interest			
Loans			
Other			
Unreimbursed Charges to Federal Aid Accounts (Note 1)		11,638,510	
Inventories, at cost (Note 1)			
Prepaid Expenses			
Restricted and Other Assets			
Fixed Assets (Net Book Value)(Note 4)			
Amount to be Provided for Retirement of General Long-Term Debt			
Total Assets	$ 19,372,237	$ 54,238,051	$ 34,488,011
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	$	$	$
Accrued Salaries and Benefits			
Installments Payable on Equipment Purchases (Current)(Note 1)			
Deferred Revenue			
Revenue Collected in Advance			
Due to Clients and Agents			
Due to Depositories			
Amounts Held in Custody for Others			
Other Liabilities			
Payable from Restricted Assets			
Installments Payable on Equipment Purchases (Non-Current)(Note 1)			
General Obligation Bonds and Notes Payable (Note 8)			
Total Liabilities	$	$	$
Fund Equity (Notes 1, 2 and 10):			
Contributed Capital	$	$	$
Retained Earnings-Unreserved			
Fund Balances:			
Reserved for Encumbrances	4,707,997	13,245,479	13,914,853
Reserved for Amortization of Debt Service	878,178		
Reserved for Loans			
Reserved for Endowments, Claims and Distributions			
Reserved for Pension Benefits			
Reserved for Unemployment Compensation Benefits			
Reserved for Contingencies			
Unreserved-Designated For:			
Continuing Appropriations	2,734,230	16,249,806	20,573,158
Subsequent Year Appropriations	8,500,000		
Budget Stabilization Trust Fund	637,958		
Reduction of Unissued Authorized General Fund Bonds			
Other Specific Purposes	1,913,874	28,990,620	
Unreserved-Undesignated		(4,247,854)	
Total Fund Equity	$ 19,372,237	$ 54,238,051	$ 34,488,011
Total Liabilities and Fund Equity	$ 19,372,237	$ 54,238,051	$ 34,488,011

The accompanying notes are an integral part of the financial statements.

Properietary Fund Types		Fiduciary Fund Type	Account Group	Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Long-Term Debt	June 30, 1989	June 30, 1988
$ 1,142,348	$ (3,251,174)	$ 201,804,267	$	$ 296,155,230	$ 283,049,769
4,612,969		720,959,173		725,572,142	624,378,848
135,454	2,070,406			2,205,860	1,645,153
		15,015,186		15,015,186	17,989,724
119,577		32,212,448		32,332,025	13,364,401
		1,432,748		1,432,748	1,533,383
2,495		315,838		318,333	149,581
				11,638,510	11,060,129
2,905,301	1,541,274			4,446,575	4,799,535
160,160	153,520			313,680	325,700
527,168	335,886			863,054	765,218
616,150	16,693,743			17,309,893	15,971,643
			234,930,000	234,930,000	217,395,000
$ 10,221,623	$ 17,543,655	$ 971,739,660	$ 234,930,000	$ 1,342,533,237	$ 1,192,428,089
$ 1,793,657	$ 1,439,142	$ 20,287,005	$	$ 23,519,804	$ 11,024,967
412,288	552,186			964,474	885,771
	1,111,806			1,111,806	1,728,306
		1,759,144		1,759,144	3,114,340
25,974				25,974	22,855
60,794				60,794	53,983
		527,893		527,893	445,928
		117,117,255		117,117,255	100,927,225
		551,308		551,308	288,087
527,168	100			527,268	398,875
	4,112			4,112	1,116,011
			234,930,000	234,930,000	217,395,000
$ 2,819,882	$ 3,107,345	$ 140,242,606	$ 234,930,000	$ 381,099,833	$ 337,401,352
$ 711,757	$ 8,911,129	$	$	$ 9,622,886	$ 8,498,784
6,689,984	5,525,182			12,215,166	10,447,274
				31,868,329	25,867,549
				878,178	951,384
		2,409,243		2,409,243	2,328,294
		22,335,653		22,335,653	21,487,442
		613,955,763		613,955,763	522,892,787
		192,415,358		192,415,358	152,464,176
		381,038		381,038	428,651
				39,557,194	31,893,884
				8,500,000	42,782,601
				637,958	5,000,000
					12,904,439
				30,904,494	17,074,309
				(4,247,854)	5,159
$ 7,401,741	$ 14,436,310	$ 831,497,055	$	$ 961,433,405	$ 855,026,736
$ 10,221,623	$ 17,543,655	$ 971,739,660	$ 234,930,000	$ 1,342,533,237	$ 1,192,428,089

STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Governmental Fund Types	
	General	Special Revenue
REVENUE RECEIPTS:		
Earnings of Departments:		
Contributions	$	$
Fees	1,887,658	9,574,295
Rents and Leases		4,825,184
Sales of Commodities		17,396,491
Sales of Service	862,285	73,084,587
Federal Grants		304,200,018
Fines, Forfeits and Penalties	6,337,769	902,855
Insurance Premiums Collected		
Interest and Premiums	3,988,555	4,247,092
Investment Income		
Lottery Transfer	12,958,313	
Licenses:		
Business	1,942,089	1,995,157
Non-Business		32,453,156
Special Assessments	2,366,359	12,371,609
Taxes	513,418,102	84,168,877
Other	328,420	21,427,173
Total Revenue Receipts	$ 544,089,550	$ 566,646,495
BUDGETARY DISBURSEMENTS:		
General Government	$ 28,487,765	$ 21,883,255
Protection to Persons and Property	35,316,694	43,723,450
Human Services	159,949,512	203,625,164
Manpower Services		14,323,249
Education	243,058,523	42,795,260
Environmental Conservation	25,699,827	18,370,729
Development and Community Affairs	7,103,041	15,822,287
Transportation		157,394,951
Public Service Enterprises		60,250,276
Debt Service	33,274,381	9,477,980
Property Tax Relief and Other Benefit Payments		
Insurance Claims		
Miscellaneous	9,500,000	18,022,962
Total Budgetary Disbursements	$ 542,389,743	$ 605,689,562
Excess of Revenues Over(Under) Expenditures	$ 1,699,807	$ (39,043,065)
Other Financing Sources (Uses):		
Proceeds from Sale of Bonds and Notes	$	$ 250,000
Operating Transfers In	5,424,072	55,390,803
Operating Transfers Out	(67,342,440)	(7,822,046)
Increase(Decrease) in Receivables		578,380
Other Sources	307,949	3,096,642
Total Other Financing Sources (Uses)	$ (61,610,418)	$ 51,493,779
Excess of Revenues and Other Sources Over(Under) Expenditures and Other Uses	$ (59,910,611)	$ 12,450,714
Fund Balances, July 1, as restated (Note 10)	79,282,848	41,787,337
Fund Balances, June 30	$ 19,372,237	$ 54,238,051

The accompanying notes are an integral part of the financial statements.

Capital Projects	Fiduciary Fund Type: Expendable Trust	Totals (Memorandum Only): 1989	1988
	$ 51,733,489	$ 51,733,489	$ 56,550,932
		11,461,953	9,199,424
		4,825,184	5,826,983
		17,396,491	16,130,560
		73,946,872	70,673,763
		304,200,018	283,599,920
		7,240,624	6,829,284
	16,576,710	16,576,710	12,499,364
		8,235,647	5,528,916
	15,576,446	15,576,446	11,410,581
		12,958,313	10,612,975
		3,937,246	3,866,633
		32,453,156	32,722,521
	2,398,542	17,136,510	15,671,288
	4,975,953	602,562,932	575,074,938
	784,165	22,539,758	19,706,051
$	$ 92,045,304	$ 1,202,781,349	$ 1,135,904,140
$ 6,420,275	$	$ 56,791,295	$ 55,341,308
2,507,066		81,547,210	65,397,846
333,708		363,908,384	327,989,045
		14,323,249	15,440,618
13,777,794		299,631,577	260,357,075
10,414,868		54,485,424	33,846,269
2,457,493		25,382,821	16,801,235
48,562		157,443,513	134,813,624
		60,250,276	57,494,009
		42,752,361	51,523,720
	38,542,030	38,542,030	35,140,815
	15,009,892	15,009,892	12,961,172
	1,713,356	29,236,318	25,632,952
$ 35,959,766	$ 55,265,279	$ 1,239,304,350	$ 1,092,739,694
$ (35,959,766)	$ 36,780,025	$ (36,522,999)	$ 43,164,445
$ 41,900,000	$	$ 42,150,000	$
13,285,805	12,013,257	86,113,937	54,458,073
(147,169)	(8,041,588)	(83,353,243)	(50,692,680)
		578,380	(8,272,855)
		3,404,591	3,543,137
$ 55,038,635	$ 3,971,670	$ 48,893,666	$ (964,325)
$ 19,078,869	$ 40,751,695	$ 12,370,667	$ 42,200,120
15,409,142	173,989,355	310,468,682	268,268,562
$ 34,488,011	$ 214,741,050	$ 322,839,349	$ 310,468,682

STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES-ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Proprietary Fund Types	
	Enterprise	Internal Service
Operating Revenues:		
Charges For Sales and Services	$ 31,064,769	$ 18,354,993
Investment Income		
Employer Contributions		
Employee Contributions		
Gain on Investment Transactions		
Other Income		
Total Operating Revenues	$ 31,064,769	$ 18,354,993
Operating Revenue Deductions:		
Cost of Sales and Services	$ 24,203,887	$ 6,406,692
Operating Expenses:		
Salaries and Wages	431,824	3,441,082
Employee Benefits	87,465	586,915
Supplies and Parts	26,339	414,107
Data Processing Charges		38,869
Transportation	61,009	25,467
Warehouse Expense	322,696	
Depreciation	32,356	3,098,853
Rentals	41,025	375,254
Utilities	8,171	40,421
Stores and Agencies	3,369,037	
Promotions and Advertising	230,256	
Administrative Expenses	931,372	822,301
Distribution and Postage	161,710	2,416
Travel	16,727	
Loss(Gain) on Disposal of Equipment	29,617	(193,624)
Equipment Purchased for Agencies		505,293
Repairs and Maintenance		1,191,506
Interest Expense		182,404
Benefit Payments		
Refunds		
Loss on Bad Debts	3,150	
Loss on Guarantees	25,985	
Other Operating Expenses	31,084	327,114
Total Operating Revenue Deductions	$ 30,013,710	$ 17,265,066
Operating Income	$ 1,051,059	$ 1,089,927
Non-Operating Revenues(Expenses):		
License Fees	$ 149,383	$
Sale of Mailing Lists	15,256	
Building and Office Equipment Rentals		74,794
Interest Income	379,186	27,378
Other Non-Operating Income	154,132	6,607
Inspection and Enforcement	(809,093)	
Legislative Appropriations	(377,645)	
Total Non-Operating Revenues(Expenses)	$ (488,781)	$ 108,778
Income Before Operating Transfers	$ 562,278	$ 1,198,705
Operating Transfers In(Out)		6,908
Net Income	$ 562,278	$ 1,205,613
Retained Earnings/Fund Balances, July 1	6,127,706	4,319,569
Residual Equity Transfers Out		
Retained Earnings/Fund Balances, June 30	$ 6,689,984	$ 5,525,182

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Types		Totals (Memorandum Only)	
NonExpendable Trust	Pension Trust	1989	1988
$	$	$ 49,419,762	$ 48,161,373
129,730	43,139,944	43,269,674	34,700,567
	39,448,538	39,448,538	35,873,107
	2,362,982	2,362,982	2,248,485
84	38,419,397	38,419,481	17,778,567
	196,983	196,983	35,976
$ 129,815	$ 123,567,843	$ 173,117,420	$ 138,798,077
$	$	$ 30,610,579	$ 30,101,313
		3,872,906	3,569,328
		674,380	579,433
		440,446	460,698
		38,869	32,969
		86,476	51,431
		322,696	331,544
		3,131,209	2,936,419
		416,279	430,431
		48,592	39,449
		3,369,037	3,330,291
		230,256	251,413
	4,140,465	5,894,138	5,474,123
		164,126	142,014
		16,727	16,144
		(164,007)	(149,377)
		505,293	378,463
		1,191,506	1,052,112
		182,404	408,874
	27,907,955	27,907,955	25,611,931
	456,448	456,448	3,278,878
		3,150	564
		25,985	20,767
1,592		359,790	416,537
$ 1,592	$ 32,504,867	$ 79,785,235	$ 78,765,760
$ 128,223	$ 91,062,976	$ 93,332,185	$ 60,032,316
$	$	$ 149,383	$ 152,963
		15,256	18,955
		74,794	68,696
		406,564	329,115
		160,739	125,908
		(809,093)	(719,225)
		(377,645)	(327,645)
$	$	$ (380,003)	$ (351,231)
$ 128,223	$ 91,062,976	$ 92,952,182	$ 59,681,084
(47,190)		(40,282)	(21,053)
$ 81,033	$ 91,062,976	$ 92,911,900	$ 59,660,030
2,719,208	522,892,787	536,059,270	476,401,039
			(1,800)
$ 2,800,242	$ 613,955,763	$ 628,971,171	$ 536,059,270

STATE OF VERMONT
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	NonExpendable Trust	1989	1988
Cash Flows From Operating Activities:					
Cash Received From Customers	$ 40,406,317	$ 17,960,318	$	$ 58,366,635	$ 56,914,694
Cash Paid to Suppliers, Employees and Other Funds	(30,670,015)	(14,072,742)	(47,782)	(44,790,539)	(43,126,394)
Liquor Taxes Paid	(9,619,625)			(9,619,625)	(9,653,004)
Interest Received	512,225	27,378	125,436	665,039	375,907
Interest Paid		(138,864)		(138,864)	(222,750)
Other Cash Received (Paid Out)	632,425	13,855		646,280	648,035
Net Cash Provided(Used) by Operating Activities	$ 1,261,327	$ 3,789,944	$ 77,654	$ 5,128,926	$ 4,936,487
Cash Flows From Investing Activities:					
Proceeds From Sales of Investments	$ 4,094,433	$	$ 16,176	$ 4,110,609	$ 394,444
Purchases of Investments	(4,874,003)			(4,874,003)	(833,197)
Loans Made			(560,299)	(560,299)	(945,004)
Loan Repayments Received			659,934	659,934	391,492
Proceeds From Sale of Fixed Assets	28,805	240,099		268,904	397,232
Purchase of Fixed Assets	(209,860)	(3,497,412)		(3,707,272)	(4,310,134)
Construction		(78,833)		(78,833)	
Net Cash Provided(Used) by Investing Activities	$ (960,625)	$ (3,336,146)	$ 115,812	$ (4,180,960)	$ (4,905,168)
Cash Flows From Financing Activities:					
Contributions-Appropriations	$	$ 919,032	$	$ 919,032	$ 837,495
Principal Payments-Capital Leases		(1,728,400)		(1,728,400)	(1,930,979)
Capital Contributions Returned					(9,031)
Net Cash Provided(Used) by Financing Activities	$	$ (809,368)	$	$ (809,368)	$ (1,102,515)
Noncash Transactions Affecting Financial Position:					
Borrowing From Suppliers on Account	$ 9,403	$ 824,359	$	$ 833,762	$ 2,738
Acquisition of Fixed Assets on Account	(9,403)	(824,359)		(833,762)	(2,738)
Contributions of Fixed Assets From Government		117,569		117,569	49,489
Acquisition of Fixed Assets Through Government Capital Contributions		(117,569)		(117,569)	(49,489)
Acquisition of Fixed Assets Through Trade-in					42,375
Value of Traded Fixed Assets					(42,375)
Net Effect of Noncash Transactions	$ 0	$ 0	$	$ 0	$ 0
Net Increase(Decrease) in Cash	$ 300,702	$ (355,569)	$ 193,466	$ 138,599	$ (1,071,195)
Cash, July 1	1,335,790	(2,580,646)	821,478	(423,378)	647,816
Cash, June 30	$ 1,636,492	$ (2,936,215)	$ 1,014,944	$ (284,779)	$ (423,379)

econciliation of Net Income to Net Cash rovided(Used) by Operating Activities	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	NonExpendable Trust	1989	1988
ncome	$ 562,278	$ 1,205,613	$ 81,033	$ 1,848,924	$ 1,791,377
stments to Reconcile Net Income to Net Cash vided(Used) by Operating Activities:					
epreciation Expense	$ 172,582	$ 3,147,193	$	$ 3,319,775	$ 3,141,526
ppreciation) of Dairy Cattle		(13,500)		(13,500)	(11,025)
ain)Loss on Disposal of Fixed Assets	30,491	(199,857)		(169,366)	(124,959)
ain) on Sales of Investments			(84)	(84)	(3,237)
nortization of Bond Premium(Discounts)	6,309		(4,294)	2,015	2,044
traordinary Loss(Gain)			1,000	1,000	(20,000)
crease)Decrease in Accrued Interest Receivable	70,617			70,617	(109,449)
crease) in Accounts Receivable	(22,799)	(458,363)		(481,162)	(435,050)
ecrease) in Accounts Receivable Related to Equipment Sales	(18,347)			(18,347)	
crease)Decrease in Due From Agents	(1,311)			(1,311)	73
crease) in Due From Other Funds	(350)			(350)	
crease)Decrease in Prepaid Expenses	17,106	(5,086)		12,020	(17,692)
crease in Inventories	298,273	54,687		352,960	67,351
crease(Decrease) in Accounts Payable	(15,857)	797,981		782,124	526,703
crease) in Accounts Payable Related to Equipment Purchase	(9,403)	(812,637)		(822,040)	(2,738)
crease in Accrued Salaries and Benefits	33,418	73,913		107,331	87,479
crease in Due to Agents	6,811			6,811	11,500
crease in Revenue Collected in Advance	3,119			3,119	7,738
crease in Subscription Reserve	128,393			128,393	24,847
Total Adjustments	$ 699,049	$ 2,584,332	$ (3,379)	$ 3,280,002	$ 3,145,111
Cash Provided by Operating Activities	$ 1,261,327	$ 3,789,944	$ 77,654	$ 5,128,926	$ 4,936,487

ccompanying notes are an integral part of the financial statements.

State of Vermont

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1989

Note 1 SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity:

The accompanying financial statements include the financial activities of those funds of the State of Vermont which are under the accounting control of the Commissioner of Finance and Management and the State Treasurer and also include the Unemployment Compensation Trust Fund and Contingent Fund which are maintained independently by the Department of Employment and Training, and the financial activities of the state-created Vermont Home Mortgage Guarantee Board.

Financial activities of the Vermont State College system and various other state-created boards and authorities which are generally financed and managed independently and which engage in significant governmental types of operations are not included in the accompanying financial statements. They are, however, currently being reviewed for their dependence on or control by the State based on budget adoption, taxing authority, outstanding debt secured by revenue or general obligations of the State and the State's obligation to fund any deficits that may occur. Any of these entities subsequently found to be controlled by or dependent on the State will be included in future financial reports of the State. However, the State's known contingent liabilities for guarantees on obligations of independent boards and authorities are detailed in note 12.

B. Fund Structure:

The accompanying financial statements are structured into three fund types and one account group. The general characteristics of the fund types and account group are:

Governmental Fund Types:

1. General Fund - By Act of the General Assembly, the General Fund is established as the basic operating fund of the State. The General Fund is required to be used to finance all expenditures for which no special revenues have otherwise been provided by law. All revenues received by the State and not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose are deposited in the General Fund. Unexpended and/or unencumbered appropriation balances will, unless otherwise directed by law, revert to fund balance at the end of the fiscal year.

2. Special Revenue Funds - These funds are used to account for specific revenues earmarked to finance particular or restricted programs and activities and include the following:

   --Transportation Fund - Revenues of this fund are used for state police, debt service requirements on Transportation Fund bonds, and the construction and maintenance of the highways of the State. There is placed in this fund for distribution to local governments that portion of the gas tax pertaining to State and town highways. Statutory provisions require that motor vehicle fees and motor fuel taxes must be expended exclusively for highway purposes and related activities. The principal sources of revenue in this fund are motor fuel taxes, licenses and permits for motor vehicles and reimbursements from the federal government for highway programs.

   --Fish and Wildlife Fund - Receipts are restricted by statute and can only be used for fish and wildlife purposes. The principal sources of revenue are license fees and federal grants.

   --Federal Revenue Fund - All federal grant receipts are recorded in the Federal Revenue Fund except for those federal funds specifically designated for highway or fish and wildlife purposes. Grants of the latter types are recorded in the State's Transportation Fund and Fish and Wildlife Fund, respectively.

   --Special Fund - This fund accounts for proceeds of specific revenues not categorized above that are legally restricted to expenditures for specified purposes.

3. Capital Projects Funds - These funds account for capital improvement appropriations which are or will be primarily funded by the issue of State bonds.

Proprietary Fund Types:

1. Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the State's intent is that the costs (expenses, including depreciation) of providing goods or services to the public be financed or recovered primarily through user charges; or (b) where the State has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. Internal Service Funds - These funds are used to account for the financing of goods or services provided by one State department or agency to other State departments or agencies, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Fund Types:

These funds account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These funds include the following:

1. Pension Trust Funds - Used to account for the activities of the state-administered retirement systems.

2. Nonexpendable Trust Funds - Used to account for the activities of trusts whose income is used to fund the trust purpose but whose principal is to be maintained intact.

3. Expendable Trust Funds - Used to account for the activities of trusts whose principal and income may be used for purposes of the trust.

4. Agency Funds - Used to account for amounts held in trust for others. Agency Funds include such accounts as federal and state withholding taxes and other payroll deductions of state employees and for the state's matching contributions, deposits and remittances of municipal employees' and employers' social security payments and the deferred compensation and other income plans.

Account Group:

1. General Long-Term Debt - Long-term liabilities to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. This account group is not a "Fund". It is concerned only with the measurement of financial position and is not involved with the measurement of results of operations. The State of Vermont's General Long-Term Debt Account Group includes only those long-term liabilities for the retirement of general obligation bonds and notes.

   Contrary to generally accepted accounting principles, no accounting records are maintained and no statements are presented for the general fixed assets for governmental fund type operations of the State of Vermont. General fixed assets, if reported, would be presented in a separate self-balancing account group.

C. Basis of Accounting:

1. Governmental Funds:

All governmental funds are accounted for and reported using the cash basis of accounting. This differs from reporting in accordance with generally accepted accounting principles as required by Title 32, Vermont Statutes Annotated, Section 182. Cash basis accounting recognizes transactions only when cash changes hands. No recognition is given to assets and liabilities or revenues and expenditures until cash has actually been received or disbursed. An exception to this policy is made in transportation fund reporting which recognizes an asset account "unreimbursed charges to federal aid accounts" which is representative of receivables due from the federal government. This presentation is consistent with the unique accounting for transportation fund expenditures which are eligible for federal reimbursement. Federal shares reimbursable are charged directly to federal aid appropriation accounts within the transportation fund at the time that expenditures are made. State appropriation accounts are charged only with the State's share of individual expenditures.

The following unreported and unaudited receivables and payables for certain governmental funds are estimated to exist at June 30, 1989 and June 30, 1988:

RECEIVABLES (UNAUDITED)

	June 30, 1989	June 30, 1988
General Fund.....	$37,845,194	$34,625,592
Transportation Fund.....	4,511,330	3,300,364
Total Estimated Receivables	$42,356,524	$37,925,956

PAYABLES (UNAUDITED)

General Fund.....	$28,336,579	$21,396,545
Transportation Fund.....	5,908,761	5,501,192
Fish and Wildlife Fund.....	289,327	114,614
Capital Projects Funds:		
General.....	3,124,183	634,548
Transportation.....	3,217	-0-
Total Estimated Payables	$37,662,067	$27,646,899

No estimates of possible unreported receivables and payables have been made for the Special Fund or the Federal Revenue Fund. These funds are made up of accounts whose balances are allowed to be retained or carried forward at the end of each fiscal year and whose disbursements are restricted to the purposes for which the accounts were created.

2. Expendable Trust Funds and Agency Funds:

The accounts of these funds are generally presented on a modified accrual basis. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized at the time fund liabilities are incurred.

3. Proprietary Funds, Pension Funds and Nonexpendable Trust Funds:

The accounts of these funds are presented on the accrual basis. Their revenues are recognized when earned and their expenses are recognized when the liability is incurred.

D. Budgetary Process:

The head of every State department, board or commission, and any officer or individual having in charge any activity for which funds are appropriated by the General Assembly, on or before September 1 preceding each biennium, is required to file with the Commissioner of Finance and Management statements showing in detail the amounts appropriated and expended for both the current and preceding fiscal year and the amount estimated for such activity to be necessary for the ensuing two fiscal years. The Commissioner of Finance and Management and the Secretary of Administration are then required to submit to the Governor by November 15 preceding each biennium, the estimates as received together with any other estimates, for the two ensuing fiscal years. The Governor submits to the General Assembly, not later than the third Tuesday of every regular session, a budget which shall embody estimates, requests and recommendations for appropriations or other authorizations for expenditures from the state treasury for at least the succeeding fiscal year. The General Assembly then enacts into law an appropriations act which must be approved by the Governor before expenditures can be made. In recent years it has been the practice of the General Assembly to enact appropriations on an annual basis.

Budgets are prepared and appropriated on the cash basis and usually at the program level. The Governor may amend appropriations within limits established by statute. Budgetary control is maintained by the Agency of Administration by major object (i.e. personal services, operating expense, etc.) at the appropriation level. General, Transportation and Fish and Wildlife Fund appropriation balances revert to fund balance at the end of each fiscal year unless authorized to be carried forward to the following year by legislative act. Unexpended balances of capital projects, federal revenue and other special funds are available for expenditure in the following fiscal year.

The State also utilizes, to a limited degree, encumbrance accounting for governmental funds under which certain purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable unexpended appropriation. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Reported encumbrances do not include all material commitments.

The State has not presented a Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types, as required by generally accepted accounting principles, for the following reasons:

1. Appropriations for the current expenditures constitute spending authorizations for the current year. Unexpended appropriations which do not revert are carried forward to the succeeding year for use in that fiscal year. It is not practicable at this time to determine those actual expenditures that apply to current year appropriations and those expenditures that apply to the unexpended balance of prior year non-reverting appropriations.

2. Various grants accepted by the State are not included in the original budget. When accepted, they are budgeted by agency and not by revenue source and for that reason it is not practicable at this time to determine the restricted revenue sources.

E. Cash and Temporary Investments:

In addition to bank accounts and imprest cash, this classification includes short-term investments such as certificates of deposit, V.I.D.A. mortgage notes and repurchase agreements. The State pools substantially all cash and investments of governmental, proprietary and agency funds, except for separate cash and investment accounts which are maintained in accordance with legal restrictions. Separate cash and investment accounts are generally maintained for pension, nonexpendable and expendable trust funds.

F. Inventories:

Inventories of materials and supplies of governmental funds are recorded as expenditures when purchased.

Inventories of the proprietary fund types are generally valued at the lower of average cost or market.

G. Fixed Assets and Depreciation:

No accounting records are maintained and no statements are presented for governmental general fixed assets.

Fixed assets in the proprietary funds are carried at cost and depreciation is recorded in the accounts of these funds over varying asset lives on the straight-line basis. When fixed assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. Except for the highway garage fund, significant renewals and betterments are capitalized and deduction is made for retirements resulting from the renewals or betterments. The highway garage fund generally follows a practice of charging all equipment repair, modification or improvement costs to expense accounts in the year in which the costs are incurred.

H. Installments Payable on Equipment Purchases:

Fixed assets of the Internal Service Funds include equipment items purchased under various installment payment contracts and long-term leases treated as capital leases. Principal payments due within one year are shown as current liabilities and the balances due subsequently are shown as long-term liabilities. Principal and interest balances are scheduled for payment in varying monthly and quarterly installments which terminate on various dates to December, 1990.

I. Reserve For Amortization of Debt Service:

Title 10, VSA, Section 235(a) authorizes the State Treasurer to issue bonds aggregating not more than $5,000,000 without further authorization for the purpose of purchasing notes of the Vermont Industrial Development Authority which are supported by loans to local development corporations. Under this authority, the State Treasurer issued bonds in the amount of $1,470,000 during fiscal year 1982 to purchase notes of the Authority.

Because these notes were recorded as temporary investments and thus included in the General Fund's portion of the State Treasurer's pooled cash balance, this transaction had the effect of increasing cash assets of the General Fund from the proceeds of general obligation bonds. Debt service obligations for these bonds are funded from general fund appropriations and the reserve account is reduced each year by the amount of principal payments made over the term of the bonds, through fiscal year 2001. Principal payments totaling $591,822 have been made through fiscal year 1989, thus reducing the reserve account balance to $878,178 at June 30, 1989.

J. Unreserved Fund Balance - General Fund:

The entire General Fund unreserved fund balance of $13,786,062 at June 30, 1989 was designated for the following purposes:

Public Act No.	Amount	Purpose
73 of 1989	$ 8,500,000	Fiscal Year 1990 Appropriations
	637,958	Budget Stabilization Trust Fund
	1,913,874	Tax Credit Contingency Fund
Miscellaneous	2,734,230	Continuing Appropriations
Total	$13,786,062	

K. Compensated Employee Absences:

Compensated absences include accumulated unpaid vacation, compensatory time and personal leave credits. Those compensated absences related to governmental funds are not accrued but are recorded as expenditures when paid. The State does not report liabilities for these governmental fund compensated absences either in specific governmental funds or in the General Long-Term Debt Account Group.

Classified state employees may accrue vacation leave based on the number of years employed up to a maximum rate of 24 days a year, but may accumulate no more than a maximum of 45 days. At June 30, 1989, the State has a liability for employees' earned vacation credits totaling approximately $11,981,000 in the governmental funds which will be liquidated in future periods either as salary payments as vacation leave is taken or by cash payment upon termination of employment.

The State also has an unreported governmental funds liability of approximately $947,700 at June 30, 1989 for compensatory time and personal leave which is accumulated as earned by employees.

Employees have also earned sick leave credits which may only be liquidated if and when sickness or injury is incurred and which, therefore, does not represent a liability of the State. Employees accrue sick leave at a maximum rate of 21 days a year. There is no limit on the total accumulation of earned sick leave days. The accumulated amount of unused sick leave at June 30, 1989 is approximately $50,284,000 for all governmental funds.

The above amounts are calculated based on state employees' pay rates at June 30, 1989.

Compensated employee absences related to proprietary funds are accrued and reported as liabilities of those funds.

L. Interfund Transactions:

Operating Transfers: Except as described below, transactions between funds are classified as operating transfers. These include most of the routine transfers of resources between funds, such as when revenues received in one fund are used to finance expenditures appropriated in another fund.

Quasi-External Transactions: Interfund transactions of this type are treated as if they were occurring with an outside entity. Internal service funds primarily receive funding through these transactions.

M. Total Columns on Combined Statements:

Total columns on the accompanying combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or operating results nor do they reflect data comparable to a consolidation. Interfund transactions have not been eliminated.

Note 2 DEFICIT FUND BALANCES/RETAINED EARNINGS:

The following individual funds have deficit Fund Balances/Retained Earnings at June 30, 1989:

Transportation Fund - Budget Stabilization Funds of $3,000,000 will be used to reduce the June 30, 1989 Transportation Fund deficit of $5,843,292.

Federal Revenue Fund - Deficit fund balance of $9,290,019 exists due to expenditures being made in anticipation of receipts from the federal government during fiscal year 1990.

Enterprise Funds:

Surplus Property Fund - Deficit retained earnings of $57,592 at June 30, 1989 is the remainder of an accumulation of deficits during the fiscal years 1976 through 1986. Through reorganization and the combining of both State and Federal surplus property programs and an increased marketing effort, the Fund realized profits of $24,088 in fiscal year 1987, $7,438 in fiscal year 1988, and $5,513 in fiscal year 1989. It is expected that annual profits will continue and gradually eliminate the deficit.

Industrial Homework Office Fund and Vermont Life Magazine Fund - Although these two funds have deficit retained earnings of $68,088 and $492,989, respectively, at June 30, 1989, neither fund has a negative fund equity position at that date.

Internal Service Funds:

State Information Systems Fund - This fund has a deficit fund equity position of $150,800 at June 30, 1989. It is planned that this deficit will be retired through a combination of growth, resulting in increased net income, and contributions from the General and/or Transportation Funds. Also, during fiscal 1989 a change in accounting estimates was adopted which extended the useful life estimates used to calculate depreciation expense on two of the Fund's major computer systems. The effect of this change in fiscal year 1989 was to reduce depreciation expense by $55,410. This change will also have varying effects on depreciation expense in each of the next five fiscal years ranging from a decrease of $236,820 in fiscal year 1990 to an increase of $140,690 in fiscal year 1992.

Telecommunications Fund - This fund has a deficit fund equity position of $12,303 at June 30, 1989 resulting from an excess of operating costs over revenues in fiscal year 1989. it is planned that this deficit will be retired during fiscal year 1990 through renegotiation of telephone contracts resulting in lower operating costs and an increase in the surcharge billed to customers.

Note 3 Investments:

The following table presents cost, market value, and carrying amount for investments at June 30, 1989:

Fund Type	Common and Preferred Stocks	U.S. Government Obligations	Corporate Bonds and Notes	Other Investments	Total Investments
Enterprise Funds:					
Vt. Home Mortgage Guarantee Board:					
Cost (Carrying Amount)	$	$ 866,828	$	$ 3,746,141	$ 4,612,969
Market Value		872,024		3,702,292	4,574,315
Pension Trust Funds:					
Vt. State Retirement Fund:					
Cost (Carrying Amount)	97,576,685	46,494,334	65,332,078	64,402,534	273,805,631
Market Value	124,085,134	47,976,597	66,107,842	64,402,534	302,572,107
State Teachers' Retirement Fund:					
Cost (Carrying Amount)	138,305,309	15,110,600	74,602,588	75,378,918	303,397,416
Market Value	158,572,649	15,581,275	74,212,660	75,378,918	323,745,502
Municipal Employees' Retirement Fund:					
Cost (Carrying Amount)	10,840,492	5,966,989	2,390,836	7,020,935	26,219,251
Market Value	12,408,150	6,111,668	2,395,547	7,020,935	27,936,300
Total Pension Trust Funds:					
Cost (Carrying Amount)	246,722,485	67,571,923	142,325,502	146,802,387	603,422,297
Market Value	295,065,933	69,669,539	142,716,048	146,802,387	654,253,908
Expendable Trust Funds:					
Cost (Carrying Amount)	225		66,845		67,070
Market Value	855		69,193		70,048
Non-Expendable Trust Funds:					
Cost (Carrying Amount)		3,000	344,551		352,551
Market Value		8,097	357,905		366,002
Agency Fund:					
Cost				108,516,314	108,516,314
Market Value (Carrying Amount)				117,117,255	117,117,255
TOTAL INVESTMENTS:					
Cost	$246,722,710	$68,446,751	$142,736,897	$259,064,842	$716,971,200
Market Value	$295,066,788	$70,549,660	$143,143,146	$267,621,934	$776,381,529
Carrying Amount	$246,722,710	$68,446,751	$142,736,897	$267,665,783	$725,572,142

The "Other Investments" total of $267,665,783 in "Carrying Amount" consists of $5,142,895 in mortgage loans, $38,804,257 in real estate investment trusts, short term investments of $67,510,693, investment contracts of $123,824,855, annuities of $29,583,086, mutual funds of $1,299,998 and venture capital of $1,500,000.

Note 4 SUMMARY OF PROPRIETARY FUND FIXED ASSETS:

A summary of Proprietary Funds' property, plant and equipment at June 30, 1989 is shown below:

	Enterprise	Internal Service
Land	$	$ 26,156
Buildings & Leasehold Improvements	126,294	605,995
Accumulated Depreciation	(91,324)	(388,161)
Machinery and Equipment	1,804,749	29,841,350
Accumulated Depreciation	(1,223,568)	(13,391,597)
Totals	$ 616,150	$ 16,693,743

Note 5 PENSION PLANS:

The State maintains three statutory pension plans: the Vermont State Retirement System which covers substantially all general State employees and State Police, the State Teachers' Retirement System of Vermont which covers substantially all State teachers and the Vermont Municipal Employees' Retirement System which covers full-time employees of participating municipal employers. The State's contributions to each system are based on percentage rates of the annual earnable compensation of each member. These rates include a "normal contribution" rate and an "accrued liability contribution" rate and are fixed on the basis of the liabilities of the systems as shown by actuarial valuations. Total pension costs for the fiscal year 1989, funded by State appropriations, were $19,052,695 for the Vermont State Retirement System and $19,000,000 for the State Teachers' Retirement System.

The unfunded accrued liability as of June 30, 1988 in all three pension plans is to be amortized over a period of 30 years ending June 30, 2018.

Based on the latest actuarial determinations, which are as of June 30, 1988 for the Vermont State Retirement System and the Municipal Employees Retirement System and June 30, 1989 for the State Teachers Retirement System, the three systems show the following benefit information for the unfunded pension benefit obligation:

	Vermont State Retirement System	State Teachers Retirement System	Municipal Employees Retirement System
Pension Benefit Obligation:			
Retired members & beneficiaries receiving benefits and terminated vested members	$134,801,100	$158,964,300	$ 4,333,978
Accumulated employee contributions	8,389,600	6,024,200	4,645,852
State and employer financed-vested	85,477,200	150,848,500	9,670,057
State and employer financed-nonvested	90,944,700	12,990,700	736,119
Future salary increases		47,091,100	
Total pension benefit obligation	$319,612,600	$375,918,800	$ 19,386,006
Net assets available for payment of benefits, at market value	240,249,700	322,839,500	23,446,651
Unfunded (assets in excess of) pension benefit obligation	$ 79,362,900	$ 53,079,300	$(4,060,645)
Assumed rate of return for calculating plan benefits	8.0%	8.5%	8.0%

The foregoing actuarial valuations have been prepared in accordance with Statement No. 5 of the Governmental Accounting Standards Board (GASB), "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers". GASB Statement No. 5, which is effective for financial reports issued for fiscal years beginning after December 31, 1986, requires the disclosure of certain additional information regarding the State's retirement systems, primarily the presentation of certain three-year and ten-year historical trend information, with which the State has not complied. However, the State is presently accumulating the necessary historical data for full disclosure in subsequent fiscal years.

Note 6 DEFERRED COMPENSATION:

The State offers its employees a deferred compensation plan created in accordance with section 457 of the internal revenue code. The plan, available to all state employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not avail-

able to the employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are solely the property and rights of the State, subject only to the claims of the State's general creditors. Participants' rights under the plan are equivalent to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

In the past, the plan assets have been used for no purpose other than to pay benefits. In addition, the State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The plans assets and liabilities are stated at market value and are reported in an Agency Fund.

Note 7 LEASE COMMITMENTS:

The State is committed under various operating leases covering real property (land and buildings) and equipment. Although lease terms vary, certain leases continue subject to appropriation by the General Assembly. If continuation is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancellable leases for financial reporting purposes.

The following is a summary of the estimated future minimum rental commitments under operating leases for real property and equipment:

	Amounts		
Fiscal Year	Non-Cancellable Leases	Cancellable Leases	Totals
1990	$ 3,075,051	$ 81,942	$ 3,156,993
1991	2,640,604	-0-	2,640,604
1992	2,146,050	-0-	2,146,050
1993	1,845,027	-0-	1,845,027
1994	1,588,500	-0-	1,588,500
Thereafter	2,548,531	-0-	2,548,531
Totals	$13,843,763	$ 81,942	$13,925,705

Note 8 GENERAL OBLIGATION BONDS AND NOTES PAYABLE:

General obligation bonds and notes have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correctional facilities, environmental conservation purposes, maintenance and construction of highways and assistance to municipalities for construction of water and sewage systems and local schools. Also, bonds have been authorized and issued to refund outstanding general obligation bonds.

Once authorized by the legislature, the State Treasurer with the approval of the Governor may issue general obligation bonds. The bonds are to be payable in substantially equal or diminishing amounts, the first such payment to be payable not later than five years after date of the bonds and the last such payment to be made not later than twenty years after date of the bonds.

General obligation bonds and notes outstanding and bonds authorized but unissued at June 30, 1989, are as follows:

Source of Payment	Outstanding		Authorized But Unissued
	Interest Rates	Amount	
General Fund	4.0 - 10.6%	$198,341,970	$30,108,755
Transportation Fund	4.0 - 9.75%	36,338,030	3,320
Special Fund	2.6%	250,000	-0-
TOTALS		$234,930,000	$30,112,075

Changes in bond and note principal payable during fiscal year 1989 are summarized in the following:

	Balance July 1, 1988	ISSUANCES	REDEMPTIONS	Balance June 30, 1989
General Obligation Bonds	$217,395,000	$41,900,000	$24,615,000	$234,680,000
Job Start Notes	-0-	250,000	-0-	250,000
Totals	$217,395,000	$42,150,000	$24,615,000	$234,930,000

General obligation bonds and notes outstanding at June 30, 1989 are comprised of the following issues:

Date Issued	Date Series Matures	Interest Rates	Amount of Original Issue	Bonds Outstanding — Sources of Payments: General Fund	Transportation Fund	Special Fund	Total
General Obligation Bonds:							
12/01/69	07/01/89	5.7%	$ 25,000,000	$ 525,000	$ 575,000	$	$ 1,100,000
04/15/70	10/15/89	5.25	26,000,000	1,200,000			1,200,000
03/01/71	09/01/90	4.0	25,000,000	1,650,000	900,000		2,550,000
01/01/72	07/01/91	4.4	40,000,000	4,125,000	1,950,000		6,075,000
10/01/72	10/01/92	4.7	4,000,000	800,000			800,000
03/15/73	09/15/92	4.875	30,000,000	2,600,000	3,500,000		6,100,000
11/01/73	04/01/93	4.5	15,000,000	200,000	2,940,000		3,140,000
04/01/75	10/01/94	5.625	24,000,000	4,050,000	3,300,000		7,350,000
06/01/76	12/01/95	5.375	14,000,000	2,900,000	2,100,000		5,000,000
05/01/77	11/01/96	4.8	8,000,000	3,325,000			3,325,000
08/01/78	02/01/98	5.5	34,450,000	12,600,000	3,600,000		16,200,000
07/01/80	02/01/00	6.8	51,210,000	23,216,970	6,383,030		29,600,000
12/01/81	06/01/92	10.6	20,080,000	3,000,000			3,000,000
06/01/83	01/01/97	8.6	48,200,000	17,600,000	2,600,000		20,200,000
06/01/84	06/01/94	9.75	22,935,000	4,450,000	1,300,000		5,750,000
08/01/85	09/01/04	8.0	22,610,000	18,130,000	880,000		19,010,000
05/15/86	05/15/04	5.1 to 7.0	45,410,000	35,665,000	6,020,000		41,685,000
08/15/86	08/15/06	6.5 to 6.9	22,995,000	20,695,000			20,695,000
10/01/88	10/01/08	6.9 to 7.0	41,900,000	41,610,000	290,000		41,900,000
Job Start Notes:							
12/30/88	01/01/94	2.6	250,000			250,000	250,000
Totals				$198,341,970	$36,338,030	$250,000	$234,930,000

Future general obligation debt service requirements at June 30, 1989 are as follows:

Year Ending June 30	Principal	Interest	Total
1990	$ 24,757,507	$ 15,586,136	$ 40,343,643
1991	22,488,722	14,066,826	36,555,548
1992	21,149,968	12,632,859	33,782,827
1993	19,166,246	11,274,092	30,440,338
1994	16,632,557	10,044,804	26,677,361
Thereafter	130,735,000	48,937,608	179,672,608
Totals	$234,930,000	$112,542,325	$347,472,325

NOTE 9 PRIOR YEAR DEFEASANCE OF DEBT:

In fiscal year 1986 the State of Vermont defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. At June 30, 1989, $35,435,000 of bonds outstanding are considered defeased.

NOTE 10 FUND EQUITY RESTATEMENT:

Fiscal year 1988 has been restated to give effect to an error in the duplicated reporting of a nonexpendable trust fund cash account in the Special Fund, as follows:

	Special Revenue Funds	All Fund Types and Account Group Totals (Memorandum Only)
Fund equity as previously reported, June 30, 1988	$ 41,944,019	$ 855,183,418
Elimination of Duplicated Cash account from the Special Fund	(156,682)	(156,682)
Fund Equity as restated, June 30, 1988	$ 41,787,337	$ 855,026,736

NOTE 11 SEGMENT INFORMATION FOR ENTERPRISE FUNDS:

The State reports five enterprise funds relating to sales of liquor, Vermont Life magazines and related products, industrial homework products, federal surplus property and guarantees of home mortgages. Segment information for the year ended June 30, 1989 is as follows:

	Liquor Control Fund	Vermont Life Magazine Fund	Other Enterprise Funds	Total Enterprise Funds
Operating Revenues	$28,896,327	$ 1,406,420	$ 762,022	$31,064,769
Depreciation Expense	140,226	17,015	15,341	172,582
Operating Income or (Loss)	939,031	(189,089)	301,117	1,051,059
Operating Grants, Entitlements & Shared Revenues	-0-	-0-	-0-	-0-
Operating Transfers in (out)	-0-	-0-	-0-	-0-
Tax Revenues	-0-	-0-	-0-	-0-
Net Income	(32,654)	(87,011)	681,943	562,278
Plant, Property & Equipment:				
Additions	160,603	46,013	12,648	219,264
Deletions	155,169	4,157	-0-	159,326
Net Working Capital	2,098,042	51,894	4,635,654	6,785,590
Total Assets	4,693,544	760,018	4,768,061	10,221,623
Bonds and Other Long-Term Liabilities	-0-	-0-	-0-	-0-
Total Equity	2,624,360	107,145	4,670,236	7,401,741

NOTE 12 CONTINGENT AND LIMITED LIABILITIES:

Vermont Industrial Development Authority:

Under the provisions of 10 V.S.A. Sec. 221 the Authority may insure mortgage payments required to repay loans made for the purpose of financing industrial facilities provided that the principal obligations of all mortgages insured under this subsection outstanding at any one time shall not exceed $35,000,000. Section 223 of the above title authorizes the State Treasurer, without further approval, to issue full faith and credit bonds of

the State in amounts not to exceed an aggregate of $35,000,000 at any one time outstanding, or to use available cash to fund the Industrial Building Mortgage Insurance Fund. As of June 30, 1989, the State had outstanding $1,437,411 of general obligation bonds under this authorization. Section 222 of the above title provides that amounts advanced to the Vermont Industrial Development Authority under the provisions of Section 223 be repaid from the Industrial Building Mortgage Insurance Fund. At June 30, 1989, the Vermont Industrial Development Authority had guaranteed mortgages with balances aggregating $3,594,442 and the authority's Insurance Fund had a Fund Balance (deficit) of $(1,565,322).

Under the provisions of 10 V.S.A. Section 231, the Authority may also loan money to local development corporations for industrial park planning and development, for constructing or improving speculative buildings or small business incubator facilities, for the purchase or improvement of existing buildings suitable for industrial or small business incubation facility purposes and for the purchase of land in connection with any of the foregoing. Section 261 provides that the Authority may make direct mortgage loans for the purpose of financing the establishment or expansion of industrial projects. The provisions of 10 V.S.A. Section 235(a) state: "The authority may issue its notes to the state treasurer in an amount outstanding at any one time not exceeding $9,500,000 to enable the authority to make loans to local development corporations under this subchapter... The state treasurer shall purchase notes of the authority issued hereunder and may borrow money by the issue of bonds or notes and pledge the full faith and credit of the state, or use any available funds over which the state has exclusive control for this purpose. Bonds and notes authorized in the preceding sentence shall be issued pursuant to the provisions of chapter 13 of Title 32 and shall not exceed an aggregate of $5,000,000 at any one time outstanding." At June 30, 1989, the State had outstanding $878,178 of general obligation bonds under this authorization and the balance of the authority's notes held by the State Treasurer totaled $6,957,314. Section 234 of the above title provides that principal and interest on these notes be paid from the Authority's Industrial Development Fund. At June 30, 1989, the Fund Balance of the Authority's Development Fund was $14,257,286.

Vermont Home Mortgage Guarantee Board:

Effective in fiscal year 1988, the Vermont Home Mortgage Guarantee Board has been included as a part of the State's reporting entity as an Enterprise Fund.

By statute, the Board guarantees, within the limits provided, the repayment of certain loans secured by home mortgages. These guarantees are backed by the full faith and credit of the State of Vermont. Effective February 10, 1989, they may not exceed $100,000,000 in the aggregate. As of June 30, 1989, the Board has outstanding guarantees of $56,009,103 and a fund balance of $4,684,293 from which to pay any guarantee losses incurred.

The State Treasurer has never found it necessary to issue bonds in support of these loan obligations nor is it contemplated that it will become necessary.

Whey Pollution Abatement Authority:

The Whey Pollution Abatement Authority was created by the General Assembly in 1971 to meet the need for abatement of continued pollution of the waters of the State resulting from discharge of fluid whey and wash waters by the cheese processors within the State.

The authority constructed a whey pollution abatement facility and in 1976 entered into a lease agreement with the State under which the State agreed to make lease rental payments sufficient to meet the debt service requirements of the authority's $9.6 million Series A Bonds issued in 1976. The facility was subleased by the State to certain cheese processors who were obligated for lease rental payments equal to the debt service requirements on the 1976 Series A Bonds. The cheese processors defaulted and the facility was closed in 1979. Under its lease, the State was obligated to and has made annual payments averaging approximately $562,500 for the fiscal years 1978 through 1989. Under a settlement with the State, the cheese processors agreed to a schedule of payments totaling $2.6 million over the remaining twenty-six years.

A new sublessee was located in 1980 and the facility was both modified and expanded to meet their requirements. The authority issued its 1980 Series A Bonds and 1981 Series A Bonds to fund the modification and expansion of the facility. The State has purchased the authority's $12.5 million 1980 Series A and $3.5 million 1981 Series A Bonds through the sale of $16 million State of Vermont general obligation bonds. The State will make lease rental payments to the authority sufficient to meet the debt service requirements on the authority's 1976 Series A Bonds as well as a certain portion of the 1980 Series A and 1981 Series A Bonds from lease rental payments made to the State by the present sublessee. The State expects that the overall effects of its purchase of the authority's bonds, together with the payments to be made by the cheese processors under the settlement referred to above, will be to reduce the remaining seventeen years of the State's obligation with respect to the bonds of the authority from the approximateLY $562,500 in average annual payments referred to above to an average annual payment of approximately $40,000, ranging from an estimated maximum obligation of $212,516 in fiscal year 1990 to a positive cash flow during the last thirteen years of the obligation.

Vermont Municipal Bond Bank:

The State has a limited liability for the Vermont Municipal Bond Bank. The Bank is required to maintain a debt service reserve fund. Title 24, V.S.A., Sec. 4675 requires the State to provide annual appropriations to restore the reserve fund to its required minimum balance, if necessary. It has never been necessary for the State to appropriate money to the reserve fund and it is not anticipated that it will need to make an appropriation in the future.

Vermont Housing Finance Agency:

The State has a limited liability for the Vermont Housing Finance Agency. The Agency may create one or more debt service reserve funds in accordance with 10 V.S.A. Sec. 632. Annually, the Agency must report to the State the amount necessary to bring reserve fund balances up to the minimum required by statute. This sum so certified may be appropriated by the State. It has not been necessary for the State to appropriate money to maintain the reserve fund and it is not anticipated that any appropriation will have to be made.

Federal Grants:

The State receives federal grants which are subject to audit and review by federal grantor agencies. This could result in expenditure disallowances under the terms of the grants. However, it is believed that required reimbursements resulting therefrom would not be material.

NOTE 13 LITIGATION:

The American Trucking Association, Inc. and others have filed lawsuits to contest and recover various fees collected by the State of Vermont, Agency of Transportation. These lawsuits sought return of fees amounting to approximately $8.6 million. The fees are no longer charged and there is approximately $10.3 million in escrow to provide for payment of the adverse judgements in these cases. The State is now awaiting further action by the court to provide for the method of making refunds of this money. The amount of refunds will not exceed the amount held in escrow.

The State, its agencies, officials and employees are also defendants in numerous other lawsuits involving funding for social welfare programs, civil rights actions, public education funding, breach of contract and negligence. The Attorney General is unable to predict the ultimate outcome of the majority of these suits, some of which seek recovery of monetary damages of unspecified amount. However, based on advice of the Attorney General, it is believed that any ultimate liability to the State resulting from these suits, not covered by various insurance policies would not materially affect the State's financial condition.

NOTE 14 BUDGET STABILIZATION TRUST FUND:

The 1987 Legislature established the Budget Stabilization Trust Fund to "...reduce the effects of annual variations in state revenues upon the budget of the state by retaining certain surpluses in general fund revenues...". The Budget Stabilization Trust Fund consists of any undesignated general fund surplus occurring at the close of a fiscal year. However, the Trust Fund balance shall not exceed two percent of the general fund appropriations for the most recently ended fiscal year. The Fund is to be used, to the extent necessary, to offset any general fund deficit that may occur at the close of a fiscal year.

Notwithstanding the two percent of General Fund appropriation limitation imposed by 32 VSA 308, the legislature by Public Act 73 of 1989 reserved $637,958 of the June 30, 1989 General Fund undesignated surplus for transfer to the Fund. The legislature further authorized, in Public Act 281 of 1988 as amended by Public Act 51 of 1989, effective July 1, 1989, the transfer of $3,000,000 from the Budget Stabilization Trust Fund to reduce the Transportation Fund deficit occurring at June 30, 1989. The above transactions will reduce the Trust Fund balance to $10,871,095.

NOTE 15 JOINT VENTURE:

The State of Vermont has entered into a Tri-State Lotto Compact with the States of New Hampshire and Maine for the purpose of operating a tri-state lottery. This lottery does not replace Vermont's individual lottery games but is run in addition to the existing games. The Compact provided for the creation of a Tri-State Lottery Commission which is an interstate body, both corporate and politic, serving as a common agency of the party states and representing them both collectively and individually in the exercise of its powers and duties. The commission is composed of one member from each of the party states. Each state's lottery commission appoints one of its members to this position. The three-member commission annually elects a chairperson from among its members. The commission is empowered to operate and administer Tri-State Lotto and to promulgate rules and regulations governing the establishment and operation of the lotto.

Tri-State Lotto tickets are sold in each of the party states and processed in a central location as determined by the commission. Fifty percent of the gross sales from each state are aggregated in a common prize pool, and operating costs are charged proportionally to each of the party states. The remaining revenues generated within each state remain in that particular state.

At July 1, 1989, the commission had total assets of $93,231,237 and total liabilities of $93,231,237.

For the year ended July 1, 1989, the commission had operating revenues of $87,192,115, interest income of $367,482, commissions, fees, and bonus expenses of $8,676,094, prize awards of $43,119,663, and other operating expenses of $3,126,671. The commission had paid expenses on behalf of member states of $388,972, and had operating transfers of $32,248,197.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

STATE OF VERMONT
GENERAL FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1989 AND 1988

	June 30, 1989	June 30, 1988
ASSETS		
Cash and Temporary Investments	$ 19,372,237	$ 79,282,848
Total Assets	$ 19,372,237	$ 79,282,848
FUND BALANCE		
Reserved for:		
Encumbrances	$ 4,707,997	$ 2,423,991
Amortization of Debt Service	878,178	951,384
Unreserved-Designated for:		
Continuing Appropriations	2,734,230	2,220,433
Subsequent Year Appropriations	8,500,000	42,782,601
Budget Stabilization Trust Fund	637,958	5,000,000
Other Transfers	1,913,874	13,000,000
Reduction of Unissued Authorized General Fund Bonds		12,904,440
Total Fund Balance	$ 19,372,237	$ 79,282,848

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989 AND 1988

	Year Ended June 30, 1989	Year Ended June 30, 1988
REVENUES:		
Taxes:		
Bank Franchise	$ 1,444,958	$ 1,304,305
Beverage	4,961,665	5,044,860
Cigarette	11,127,511	11,715,827
Electrical Energy	1,148,957	1,642,272
Income-Corporate	36,865,375	43,384,321
Income-Personal	213,336,872	201,659,585
Inheritance	4,020,211	6,161,427
Insurance Companies	19,105,460	16,990,287
Liquor	9,601,183	9,655,252
Meals and Rooms	42,067,071	39,857,994
Pari-Mutuel	196,718	187,995
Real Property Transfer	17,126,289	9,940,959
Sales and Use	132,935,931	123,489,577
Telephone Companies	18,352,929	16,892,666
Other Taxes	1,126,972	1,139,394
Total Taxes	$ 513,418,102	$ 489,066,722
Business Licenses	1,942,089	2,044,932
Fees	1,887,658	2,124,068
Services	862,285	1,238,616
Fines and Forfeits	6,337,769	6,423,786
Interest and Premiums	3,988,555	4,350,805
Lottery Transfer	12,958,313	10,612,976
Special Assessments	2,366,359	2,697,194
Other Revenues	328,420	344,124
Total Revenues	$ 544,089,550	$ 518,903,222
EXPENDITURES:		
General Government	$ 28,487,765	$ 26,437,020
Protection to Persons and Property	35,316,694	34,672,166
Human Services	159,949,512	142,369,142
General Education	243,058,523	213,964,086
Environmental Conservation	25,699,827	10,458,106
Development and Community Affairs	7,103,041	6,628,377
Debt Service	33,274,381	40,632,479
Miscellaneous	9,500,000	8,928,000
Total Expenditures	$ 542,389,743	$ 484,089,377
Excess of Revenues Over Expenditures	$ 1,699,807	$ 34,813,845
Other Financing Sources (Uses):		
Transfers from Transportation Fund	$ 2,770,386	$ 2,865,480
Transfers from Other Special Revenue Funds	2,226,041	7,126,287
Other Operating Transfers In	427,645	453,240
Transfers to Transportation Fund	(4,544,909)	(4,076,174)
Transfers to Other Special Revenue Funds	(48,959,296)	(18,997,935)
Other Operating Transfers Out	(13,838,235)	(8,919,328)
Other Sources	307,949	195,277
Total Other Financing Sources (Uses)	$ (61,610,418)	$ (21,353,154)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (59,910,611)	$ 13,460,691
Fund Balance, July 1	79,282,848	65,822,157
Fund Balance, June 30	$ 19,372,237	$ 79,282,848

The accompanying notes are an integral part of the financial statements.

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SPECIAL REVENUE FUNDS

STATE OF VERMONT
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM
CASH TRANSACTIONS-ALL SPECIAL REVENUE FUNDS
JUNE 30, 1989

	Transportation	Fish and Wildlife	Special	Federal Revenue	Totals June 30, 1989	Totals June 30, 1988
ASSETS						
ash	$ 10,708,023	$ 1,911,386	$ 39,270,151	$ (9,290,019)	$ 42,599,541	$ 30,727,207
Inreimbursed Charges o Federal Aid Accounts	11,638,510				11,638,510	11,060,130
Total Assets	$ 22,346,533	$ 1,911,386	$ 39,270,151	$ (9,290,019)	$ 54,238,051	$ 41,787,337
FUND BALANCE						
eserved for Encumbrances	$ 12,231,787	$ 24,180	$ 965,985	$ 23,527	$ 13,245,479	$ 15,465,318
Inreserved:						
Designated for Continuing Appropriations	15,958,038	291,769			16,249,806	22,242,550
Designated for Specific Purposes			38,304,166	(9,313,546)	28,990,620	4,074,309
Undesignated (Deficit)	(5,843,292)	1,595,437			(4,247,854)	5,160
Total Fund Balance	$ 22,346,533	$ 1,911,386	$ 39,270,151	$ (9,290,019)	$ 54,238,051	$ 41,787,337

he accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE-ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1989

	Transportation	Fish and Wildlife	Special	Federal Revenue	Totals for the Year Ended June 30, 1989	Totals for the Year Ended June 30, 1988
REVENUE RECEIPTS:						
Earnings of Departments:						
Fees	$ 5,098,975	$	$ 4,475,319	$	$ 9,574,295	$ 7,075,357
Rents and Leases	441,811	11,383	4,371,991		4,825,184	5,806,707
Sales of Commodities	15,063	70,109	17,311,319		17,396,491	15,897,064
Sales of Service	9,152		73,075,435		73,084,587	69,435,148
Federal Grants	57,471,842	1,794,440		244,933,736	304,200,018	283,599,921
Fines, Forfeits and Penalties	803,752	340	98,763		902,855	405,499
Interest and Premiums	914,989	126,521	3,205,582		4,247,092	1,178,112
Licenses:						
Business	5,150	1,851	1,988,156		1,995,157	1,821,701
Non-Business	27,517,602	4,505,730	429,823		32,453,156	32,648,371
Special Assessments	44,726		12,326,884		12,371,609	10,727,727
Taxes	76,675,692		7,493,186		84,168,877	82,379,571
Other	26,365	224,660	21,176,148		21,427,173	16,992,258
Total Revenue Receipts	$ 169,025,118	$ 6,735,035	$ 145,952,606	$ 244,933,736	$ 566,646,495	$ 527,967,436
BUDGETARY DISBURSEMENTS:						
General Government	$	$	$ 20,784,093	$ 1,099,162	$ 21,883,255	$ 19,673,748
Protection to Persons and Property	16,378,660		22,146,336	5,198,454	43,723,450	30,222,564
Human Services			17,460,793	186,164,371	203,625,164	184,508,697
Manpower Services			5,365	14,317,883	14,323,249	15,440,619
Education			9,195,221	33,600,039	42,795,260	36,256,428
Environmental Conservation	273,371	6,906,580	7,148,330	4,042,449	18,370,729	16,161,217
Development and Community Affairs			11,221,483	4,600,803	15,822,287	9,940,614
Transportation	157,405,786		(31,529)	20,694	157,394,951	134,723,076
Public Service Enterprises			60,250,276		60,250,276	57,494,010
Debt Service	9,477,980				9,477,980	10,891,241
Vermont Lottery			18,022,962		18,022,962	14,831,952
Total Budgetary Disbursements	$ 183,535,796	$ 6,906,580	$ 166,203,331	$ 249,043,855	$ 605,689,562	$ 530,144,166
Excess of Revenues Over (Under) Expenditures	$ (14,510,677)	$ (171,545)	$ (20,250,725)	$ (4,110,118)	$ (39,043,065)	$ (2,176,730)
Other Financing Sources (Uses):						
Proceeds of Notes	$	$	$ 250,000	$	$ 250,000	$
Operating Transfers In	4,819,145	86,500	48,953,695	1,531,463	55,390,803	24,477,084
Operating Transfers Out	(3,854,326)		(3,946,170)	(21,551)	(7,822,046)	(12,153,442)
Increase (Decrease) in Receivables	578,380				578,380	(8,272,856)
Other Sources (Uses)	10,702	54	(100)	3,085,986	3,096,642	3,347,861
Total Other Financing Sources	$ 1,553,901	$ 86,554	$ 45,257,426	$ 4,595,898	$ 51,493,779	$ 7,398,648
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (12,956,766)	$ (84,991)	$ 25,006,701	$ 485,780	$ 12,450,714	$ 5,221,918
Fund Balance, July 1, as restated	35,303,309	1,996,377	14,263,450	(9,775,799)	41,787,337	36,565,419
Fund Balance, June 30	$ 22,346,533	$ 1,911,386	$ 39,270,151	$ (9,290,019)	$ 54,238,051	$ 41,787,337

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1989 AND 1988

	June 30, 1989	June 30, 1988
ASSETS		
Cash	$ 10,708,023	$ 24,243,180
Unreimbursed Charges to Federal Aid Accounts	11,638,510	11,060,130
Total Assets	$ 22,346,533	$ 35,303,309
FUND BALANCE		
Reserved for Encumbrances	$ 12,231,787	$ 14,915,973
Unreserved:		
Designated for Continuing Appropriations	15,958,038	22,063,567
Undesignated (Deficit)	(5,843,292)	(1,676,230)
Total Fund Balance	$ 22,346,533	$ 35,303,309

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989 AND 1988

	Year Ended	
	June 30, 1989	June 30, 1988
REVENUES:		
Taxes:		
Motor Fuel	$ 37,437,385	$ 36,376,296
Purchase and Use	31,652,394	32,107,797
Other Taxes	7,585,912	6,849,243
Business Licenses	5,150	3,750
Non-Business Licenses:		
Motor Vehicle License and Registration	25,603,864	26,488,313
Other Non-Business Licenses	1,913,738	1,800,109
Fees	5,098,975	3,558,243
Services	9,152	11,313
Interest and Premiums	914,989	764,716
Federal Grants	57,471,842	59,819,787
Special Assessments	44,726	35,245
Other Revenues	1,286,990	2,041,403
Total Revenues	$ 169,025,118	$ 169,856,214
EXPENDITURES:		
Protection to Persons and Property	$ 16,378,660	$ 15,069,813
Environmental Conservation	273,371	515,305
Transportation	157,405,786	134,184,530
Debt Service	9,477,980	10,891,241
Total Expenditures	$ 183,535,796	$ 160,660,888
Excess of Revenues Over(Under) Expenditures	$ (14,510,677)	$ 9,195,326
Other Financing Sources (Uses):		
Transfers from General Fund	$ 4,544,909	$ 4,076,174
Transfers from Other Special Revenue Funds	127,067	338,072
Other Operating Transfers In	147,169	
Transfers to General Fund	(2,770,386)	(2,865,480)
Transfers to Other Special Revenue Funds	(65,000)	(75,000)
Other Operating Transfers Out	(1,018,940)	(758,700)
Increase (Decrease) in Receivables	578,380	(8,272,856)
Other Sources (Uses)	10,702	(160,013)
Total Other Financing Sources (Uses)	$ 1,553,901	$ (7,717,803)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (12,956,776)	$ 1,477,523
Fund Balance, July 1	35,303,309	33,825,787
Fund Balance, June 30	$ 22,346,533	$ 35,303,309

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FISH AND WILDLIFE FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1989 AND 1988

	June 30, 1989	June 30, 1988
ASSETS		
Cash	$ 1,911,386	$ 1,996,377
Total Assets	$ 1,911,386	$ 1,996,377
FUND BALANCE		
Reserved for Encumbrances	$ 24,180	$ 136,003
Unreserved:		
Designated for Continuing Appropriations	291,769	178,983
Undesignated	1,595,437	1,681,390
Total Fund Balance	$ 1,911,386	$ 1,996,377

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FISH AND WILDLIFE FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989 AND 1988

	Year Ended	
	June 30, 1989	June 30, 1988
REVENUES:		
Non-Business Licenses	$ 4,505,730	$ 4,359,949
Interest	126,521	121,387
Federal Grants	1,794,440	2,087,714
Other Revenues	308,343	286,327
Total Revenues	$ 6,735,035	$ 6,855,377
EXPENDITURES:		
Environmental Conservation	$ 6,906,580	$ 6,835,133
Total Expenditures	$ 6,906,580	$ 6,835,133
Excess of Revenues Over(Under) Expenditures	$ (171,545)	$ 20,243
Other Financing Sources:		
Transfers From General Fund	$ 21,500	$ 3,516
Transfers From Other Special Revenue Funds	65,000	75,000
Prior Year Expenditure Recoveries	54	506
Total Other Financing Sources	$ 86,554	$ 79,022
Excess of Revenues and Other Sources Over(Under) Expenditures	$ (84,991)	$ 99,265
Fund Balance, July 1	1,996,377	1,897,111
Fund Balance, June 30	$ 1,911,386	$ 1,996,377

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
SPECIAL FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1989 AND 1988

	June 30, 1989	June 30, 1988
ASSETS		
Cash	$ 39,270,151	$ 14,263,450
Total Assets	$ 39,270,151	$ 14,263,450
FUND BALANCE		
Reserved for Encumbrances	$ 965,985	$ 396,571
Unreserved	38,304,166	13,866,879
Total Fund Balance	$ 39,270,151	$ 14,263,450

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
SPECIAL FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989 AND 1988

	Year Ended June 30, 1989	Year Ended June 30, 1988
REVENUES:		
Taxes	$ 7,493,186	$ 7,046,236
Business Licenses	1,988,156	1,791,208
Non-Business Licenses	429,823	
Fees	4,475,319	3,517,114
Rents and Leases	4,371,991	5,344,927
Sales of Service:		
Public Power	59,573,037	58,051,305
Other	13,502,399	11,372,531
Interest and Premiums	3,205,582	292,008
Special Assessments	12,326,884	10,692,482
Lottery Tickets	16,709,974	15,812,951
Other Revenues	21,876,255	15,642,663
Total Revenues	$ 145,952,606	$ 129,563,425
EXPENDITURES:		
General Government	$ 20,784,093	$ 19,030,023
Protection to Persons and Property	22,146,336	10,042,064
Human Services	17,460,793	14,268,641
Manpower Services	5,365	26,284
General Education	9,195,221	6,507,208
Environmental Conservation	7,148,330	5,016,852
Development and Community Affairs	11,221,483	6,099,118
Transportation	(31,529)	538,546
Purchased Electrical Energy	60,250,276	57,494,010
Vermont Lottery	18,022,962	14,831,952
Total Expenditures	$ 166,203,331	$ 133,854,698
Excess of Revenues Over (Under) Expenditures	$ (20,250,725)	$ (4,291,273)
Other Financing Sources (Uses):		
Proceeds of Promissory Note	$ 250,000	$
Transfers From General Fund	48,936,980	18,982,898
Transfers From Other Special Revenue Funds	16,715	40,337
Transfers to General Fund	(2,221,206)	(7,126,287)
Transfers to Other Special Revenue Funds	(1,657,714)	(1,287,638)
Other Operating Transfers Out	(67,250)	
Other Sources (Uses)	(100)	2,585
Total Other Financing Sources	$ 45,257,426	$ 10,611,895
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 25,006,701	$ 6,320,623
Fund Balance, July 1, as restated	14,263,450	7,942,827
Fund Balance, June 30	$ 39,270,151	$ 14,263,450

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FEDERAL REVENUE FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1989 AND 1988

	June 30, 1989	June 30, 1988
ASSETS		
Cash	$ (9,290,019)	$ (9,775,799)
Total Assets	$ (9,290,019)	$ (9,775,799)
FUND BALANCE		
Reserved for Encumbrances	$ 23,527	$ 16,771
Unreserved (Deficit)	(9,313,546)	(9,792,569)
Total Fund Balance	$ (9,290,019)	$ (9,775,799)

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FEDERAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989 AND 1988

	Year Ended	
	June 30, 1989	June 30, 1988
REVENUES:		
Federal Grants	$ 244,933,736	$ 221,692,420
Total Revenues	$ 244,933,736	$ 221,692,420
EXPENDITURES:		
General Government	$ 1,099,162	$ 643,725
Protection to Persons and Property	5,198,454	5,110,688
Human Services	186,164,371	170,240,055
Manpower Services	14,317,883	15,414,335
General Education	33,600,039	29,749,221
Environmental Conservation	4,042,449	3,793,926
Development and Community Affairs	4,600,803	3,841,496
Transportation	20,694	
Total Expenditures	$ 249,043,855	$ 228,793,445
Excess of Revenues Over (Under) Expenditures	$ (4,110,118)	$ (7,101,025)
Other Financing Sources (Uses):		
Transfers From General Fund	$ 816	$ 11,521
Transfers From Other Special Revenue Funds	1,530,647	949,566
Non-Revenue Receipts	3,366,316	3,539,524
Transfers To General Fund	(4,836)	
Transfer To Other Special Revenue Funds	(16,715)	(40,337)
Other Uses	(280,330)	(34,741)
Total Other Financing Sources	$ 4,595,898	$ 4,425,533
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 485,780	$ (2,675,492)
Fund Balance (Deficit), July 1	(9,775,799)	(7,100,307)
Fund Balance (Deficit), June 30	$ (9,290,019)	$ (9,775,799)

The accompanying notes are an integral part of the financial statements.

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CAPITAL PROJECTS FUNDS

STATE OF VERMONT
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM
CASH TRANSACTIONS-ALL CAPITAL PROJECTS FUNDS
JUNE 30, 1989

	General Bond	Transportation Bond	Totals June 30, 1989	Totals June 30, 1988
ASSETS				
Cash	$ 33,666,766	$ 821,244	$ 34,488,011	$ 15,409,142
Total Assets	$ 33,666,766	$ 821,244	$ 34,488,011	$ 15,409,142
FUND BALANCE				
Reserved for Encumbrances	$ 13,914,853	$	$ 13,914,853	$ 7,978,240
Unreserved:				
Designated for Continuing Appropriations	19,751,913	821,244	20,573,158	7,430,901
Total Fund Balance	$ 33,666,766	$ 821,244	$ 34,488,011	$ 15,409,142

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
COMBINING STATEMENT OF EXPENDITURES PAID
AND CHANGES IN FUND BALANCE-ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 1989

	General Bond	Transportation Bond	Totals For The Year Ended June 30, 1989	Totals For The Year Ended June 30, 1988
BUDGETARY DISBURSEMENTS:				
General Government	$ 6,420,275	$	$ 6,420,275	$ 9,230,540
Protection to Persons and Property	2,507,066		2,507,066	503,116
Human Services	333,708		333,708	1,111,208
Education	13,777,794		13,777,794	10,136,561
Environmental Conservation	10,414,868		10,414,868	7,226,947
Development and Community Affairs	2,457,493		2,457,493	232,244
Transportation		48,562	48,562	90,549
Total Budgetary Disbursements	$ 35,911,204	$ 48,562	$ 35,959,766	$ 28,531,165
Other Financing Sources(Uses):				
Proceeds From Sale of Bonds	$ 41,610,000	$ 290,000	$ 41,900,000	$
Transfers from General Fund	12,950,555		12,950,555	8,233,136
Operating Transfers In	167,250	168,000	335,250	
Operating Transfers Out		(147,169)	(147,169)	(125,595)
Total Other Financing Sources	$ 54,727,805	$ 310,831	$ 55,038,635	$ 8,107,541
Excess of Other Financing Sources Over(Under) Expenditures	$ 18,816,600	$ 262,269	$ 19,078,869	$ (20,423,624)
Fund Balance, July 1	14,850,166	558,976	15,409,142	35,832,766
Fund Balance, June 30	$ 33,666,766	$ 821,244	$ 34,488,011	$ 15,409,142

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
GENERAL BOND FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1989 AND 1988

	June 30, 1989	June 30, 1988
ASSETS		
Cash	$ 33,666,766	$ 14,850,166
Total Assets	$ 33,666,766	$ 14,850,166
FUND BALANCE		
Reserved for Encumbrances	$ 13,914,853	$ 7,978,240
Unreserved:		
Designated for Continuing Appropriations	19,751,913	6,871,926
Total Fund Balance	$ 33,666,766	$ 14,850,166

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
GENERAL BOND FUND
COMPARATIVE STATEMENT OF EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989 AND 1988

	Year Ended	
	June 30, 1989	June 30, 1988
EXPENDITURES:		
General Government	$ 6,420,275	$ 9,230,540
Protection to Persons and Property	2,507,066	503,116
Human Services	333,708	1,111,208
Education	13,777,794	10,136,561
Environmental Conservation	10,414,868	7,226,947
Development and Community Affairs	2,457,493	232,244
Total Expenditures	$ 35,911,204	$ 28,440,616
Other Financing Sources (Uses):		
Proceeds From Sale of Bonds and Notes	$ 41,610,000	$
Transfers from General Fund	12,950,555	8,233,136
Operating Transfers In	167,250	
Operating Transfers Out		(125,595)
Total Other Financing Sources	$ 54,727,805	$ 8,107,541
Excess of Other Financing Sources Over(Under) Expenditures	$ 18,816,600	$ (20,333,075)
Fund Balance, July 1	14,850,166	35,183,241
Fund Balance, June 30	$ 33,666,766	$ 14,850,166

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION BOND FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1989 AND 1988

	June 30, 1989	June 30, 1988
ASSETS		
Cash	$ 821,244	$ 558,976
Total Assets	$ 821,244	$ 558,976
FUND BALANCE		
Unreserved-Designated for Continuing Appropriations	$ 821,244	$ 558,976
Total Fund Balance	$ 821,244	$ 558,976

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION BOND FUND
COMPARATIVE STATEMENT OF EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989 AND 1988

	Year Ended	
	June 30, 1989	June 30, 1988
EXPENDITURES:		
Transportation	$ 48,562	$ 90,549
Total Expenditures	$ 48,562	$ 90,549
Other Financing Sources (Uses):		
Proceeds from Sale of Bonds	$ 290,000	$
Operating Transfers In	168,000	
Operating Transfers Out	(147,169)	
Total Other Financing Sources	$ 310,831	$
Excess of Other Financing Sources Over (Under) Expenditures	$ 262,269	$ (90,549)
Fund Balance, July 1	558,976	649,524
Fund Balance, June 30	$ 821,244	$ 558,976

The accompanying notes are an integral part of the financial statements.

ENTERPRISE FUNDS

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Industrial Homework Office Fund	Liquor Control Fund	Surplus Property Fund
ASSETS			
Current Assets:			
Cash	$ 7,071	$ 1,394,008	$ (66,142)
Investments			
Interest Receivable			
Accounts Receivable (net of allowance for uncollectibles)	34,343	1,984	15,812
Due From Other Funds	350		
Due From Agents		2,145	
Inventories, at cost		2,701,095	
Prepaid Expenses		63,865	
Total Current Assets	$ 41,765	$ 4,163,096	$ (50,330)
Restricted Assets:			
Cash-Subscription Reserve Fund	$	$	$
Accounts Receivable-Subscriptions			
Imprest Cash and Change Fund-Advances		4,130	
Total Restricted Assets	$	$ 4,130	$
Fixed Assets:			
Building and Leasehold Improvements	$	$ 126,294	$
Equipment, Furniture and Fixtures	27,736	1,606,706	7,830
Accumulated Depreciation	(22,557)	(1,206,682)	(4,837)
Total Fixed Assets	$ 5,179	$ 526,317	$ 2,993
Total Assets	$ 46,944	$ 4,693,544	$ (47,337)
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$	$ 1,651,583	$ 4,815
Accrued Salaries and Benefits	3,409	352,676	5,440
Due to Agents		60,794	
Revenue Collected in Advance			
Total Current Liabilities	$ 3,409	$ 2,065,054	$ 10,255
Liabilities Payable From Restricted Assets:			
Unexpired Subscriptions	$	$	$
Cash Advances by State Treasurer		4,130	
Total Liabilities Payable From Restricted Assets	$	$ 4,130	$
Fund Equity:			
Contributed Capital:			
General Fund	$	$	$
Federal Government and Other Funds	111,623		
Retained Earnings (Deficit)	(68,088)	2,624,360	(57,592)
Total Fund Equity	$ 43,535	$ 2,624,360	$ (57,592)
Total Liabilities and Fund Equity	$ 46,944	$ 4,693,544	$ (47,337)

The accompanying notes are an integral part of the financial statements.

Vermont Life Magazine Fund	Vermont Home Mortgage Guarantee Board	Totals June 30, 1989	Totals June 30, 1988
$ (201,992)	$ 9,403	$ 1,142,348	$ 941,343
	4,612,969	4,612,969	3,839,708
	119,577	119,577	190,193
83,218	97	135,454	141,349
		350	
		2,145	833
204,207		2,905,301	3,203,574
96,296		160,160	177,266
$ 181,728	$ 4,742,045	$ 9,078,305	$ 8,494,269
$ 494,144	$	$ 494,144	$ 394,445
28,694		28,694	
200		4,330	4,330
$ 523,038	$	$ 527,168	$ 398,775
$	$	$ 126,294	$ 126,906
116,243	46,234	1,804,749	1,744,199
(60,992)	(19,825)	(1,314,892)	(1,260,688)
$ 55,251	$ 26,409	$ 616,150	$ 610,416
$ 760,018	$ 4,768,455	$ 10,221,623	$ 9,503,462
$ 83,948	$ 53,311	$ 1,793,657	$ 1,780,884
44,557	6,206	412,288	407,499
		60,794	53,983
1,330	24,645	25,974	22,855
$ 129,834	$ 84,162	$ 2,292,714	$ 2,265,223
$ 522,838	$	$ 522,838	$ 394,445
200		4,330	4,330
$ 523,038	$	$ 527,168	$ 398,775
$ 600,134	$	$ 600,134	$ 600,133
		111,623	111,623
(492,989)	4,684,293	6,689,984	6,127,706
$ 107,145	$ 4,684,293	$ 7,401,741	$ 6,839,462
$ 760,018	**$ 4,768,455**	**$ 10,221,623**	**$ 9,503,462**

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Industrial Homework Office Fund	Liquor Control Fund	Surplus Property Fund
Operating Revenues:			
Charges For Sales and Services	$ 86,894	$ 28,896,327	$ 86,752
Operating Revenue Deductions:			
Cost of Sales and Services	$	$ 23,450,392	$
Operating Expenses:			
Salaries and Wages	76,720		24,000
Employee Benefits	5,581		6,471
Transportation			23,886
Warehouse Expense		321,755	941
Depreciation	5,179		2,327
Rentals			11,704
Utilities			2,102
Stores and Agencies Expense		3,369,037	
Promotions and Advertising			
Administrative Expenses		785,752	320
Supplies			1,187
Distribution and Postage			
Travel			6,339
Loss (Gain) on Disposal of Equipment		29,617	
Bad Debts	441		
Loss on Guarantees			
Other Operating Expenses		742	1,962
Total Operating Revenue Deductions	$ 87,921	$ 27,957,296	$ 81,239
Operating Income (Loss)	$ (1,027)	$ 939,031	$ 5,513
Non-Operating Revenues (Expenses):			
License Fees	$	$ 149,383	$
Sale of Mailing Lists			
Inspection and Enforcement		(809,093)	
Legislative Appropriations		(377,645)	
Investment Income			
Other Non-Operating Income		65,670	
Total Non-Operating Revenues (Expenses)	$	$ (971,685)	$
Net Income (Loss)	$ (1,027)	$ (32,654)	$ 5,513
Retained Earnings, July 1	(67,061)	2,657,013	(63,105)
Retained Earnings, June 30	$ (68,088)	$ 2,624,360	$ (57,592)

The accompanying notes are an integral part of the financial statements.

Vermont Life Magazine Fund	Vermont Home Mortgage Guarantee Board	Totals 1989	Totals 1988
$ 1,406,420	$ 588,376	$ 31,064,769	$ 30,986,513
$ 753,495	$	$ 24,203,887	$ 24,320,238
193,369	137,735	431,824	349,973
44,567	30,846	87,465	64,933
37,122		61,009	45,108
		322,696	331,544
17,015	7,835	32,356	22,801
	29,321	41,025	17,120
	6,069	8,171	8,730
		3,369,037	3,330,291
217,832	12,425	230,256	251,413
118,705	26,596	931,372	990,581
18,960	6,192	26,339	19,841
160,126	1,584	161,710	139,657
8,006	2,382	16,727	16,144
		29,617	(7,694)
2,708		3,150	564
	25,985	25,985	20,767
23,604	4,775	31,084	49,532
$ 1,595,510	$ 291,745	$ 30,013,710	$ 29,971,550
$ (189,089)	$ 296,631	$ 1,051,059	$ 1,014,963
$	$	$ 149,383	$ 152,963
15,256		15,256	18,955
		(809,093)	(719,225)
		(377,645)	(327,645)
	379,186	379,186	287,436
86,822	1,640	154,132	127,163
$ 102,078	$ 380,826	$ (488,781)	$ (460,351)
$ (87,011)	$ 677,457	$ 562,278	$ 554,612
(405,978)	4,006,836	6,127,706	5,573,093
$ (492,989)	$ 4,684,293	$ 6,689,984	$ 6,127,706

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Industrial Homework Office Fund	Liquor Control Fund	Surplus Property Fund
Cash Flows From Operating Activities:			
Cash Received From Customers	$ 69,635	$ 38,135,053	$ 86,719
Cash Paid to Suppliers and Employees	(82,225)	(28,696,694)	(74,788)
Liquor Taxes Paid		(9,619,625)	
Interest Received		38,617	
Other Cash Received (Paid Out)	(350)	548,193	
Net Cash Provided(Used) by Operating Activities	$ (12,940)	$ 405,544	$ 11,931
Cash Flows From Investing Activities:			
Proceeds From Sales of Investments	$	$	$
Purchases of Investments			
Proceeds From Sale of Fixed Assets		28,521	
Purchase of Fixed Assets		(151,709)	
Net Cash Used by Investing Activities	$	$ (123,188)	$
Cash Flows From Financing Activities:			
Capital Contributions Returned	$	$	$
Net Cash Used by Financing Activities	$	$	$
Noncash Transactions Affecting Financial Position:			
Borrowing From Suppliers on Account	$	$ 8,894	$
Acquisition of Fixed Assets on Account		(8,894)	
Contributions of Fixed Assets From Government			
Acquisition of Fixed Assets Through Government Capital Contributions			
Net Effect of Noncash Transactions	$	$ 0	$
Net Increase(Decrease) in Cash	$ (12,940)	$ 282,356	$ 11,931
Cash, July 1	20,011	1,111,652	(78,073)
Cash, June 30	$ 7,071	$ 1,394,008	$ (66,142)
Reconciliation of Net Income to Net Cash Provided(Used) by Operating Activities			
Net Income(Loss)	$ (1,027)	$ (32,654)	$ 5,513
Adjustments to Reconcile Net Income to Net Cash Provided(Used) by Operating Activities:			
Depreciation Expense	$ 5,179	$ 140,226	$ 2,327
(Gain)Loss on Disposal of Fixed Assets		29,617	
Amortization of Bond Premium			
(Increase)Decrease in Accrued Interest Receivable			
(Increase)Decrease in Accounts Receivable	(17,714)	25,838	(1,533)
(Decrease) in Accounts Receivable Related to Equipment Sales		(18,347)	
(Increase)Decrease in Due From Agents		(1,311)	
(Increase) in Due From Other Funds	(350)		
(Increase)Decrease in Prepaid Expenses		(15,491)	
(Increase)Decrease in Inventories		292,164	
Increase(Decrease) in Accounts Payable		(31,294)	4,413
(Increase) in Accounts Payable Related to Equipment Purchase		(8,894)	
Increase in Accrued Salaries and Benefits	972	18,880	1,211
Increase in Due to Agents		6,811	
Increase(Decrease) in Revenue Collected in Advance			
Increase in Subscription Reserve			
Total Adjustments	$ (11,913)	$ 438,198	$ 6,418
Net Cash Provided(Used) by Operating Activities	$ (12,940)	$ 405,544	$ 11,931

The accompanying notes are an integral part of the financial statements.

Vermont Life Magazine Fund	Vermont Home Mortgage Guarantee Board	Totals 1989	Totals 1988
$ 1,519,968	$ 594,942	$ 40,406,317	$ 40,041,245
(1,554,012)	(262,296)	(30,670,015)	(30,058,616)
		(9,619,625)	(9,653,004)
17,496	456,112	512,225	215,921
84,582		632,425	648,035
$ 68,034	$ 788,758	$ 1,261,327	$ 1,193,581
$	$ 4,094,433	$ 4,094,433	$ 327,736
	(4,874,003)	(4,874,003)	(765,640)
284		28,805	10,388
(45,504)	(12,648)	(209,860)	(175,573)
$ (45,220)	$ (792,218)	$ (960,625)	$ (603,090)
$	$	$	$ (9,031)
$	$	$	$ (9,031)
$ 509	$	$ 9,403	$
(509)		(9,403)	
			15,538
			(15,538)
$ 0	$	$ 0	$ 0
$ 22,815	$ (3,460)	$ 300,702	$ 581,461
269,337	12,862	1,335,790	754,329
$ 292,152	$ 9,403	$ 1,636,492	$ 1,335,790
$ (87,011)	$ 677,457	$ 562,278	$ 554,613
$ 17,015	$ 7,835	$ 172,582	$ 184,193
873		30,491	10,653
	6,309	6,309	6,309
	70,617	70,617	(109,449)
(29,292)	(97)	(22,799)	(33,067)
		(18,347)	
		(1,311)	73
		(350)	
32,596		17,106	16,030
6,109		298,273	144,129
(8,229)	19,253	(15,857)	340,580
(509)		(9,403)	
9,550	2,806	33,418	35,432
		6,811	11,500
(1,460)	4,579	3,119	7,738
128,393		128,393	24,847
$ 155,046	$ 111,301	$ 699,049	$ 638,969
$ 68,034	$ 788,758	$ 1,261,327	$ 1,193,581

INTERNAL SERVICE FUNDS

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Highway Garage Fund	Correctional Industries Fund	State Information Systems Fund	Central Stores Fund
ASSETS				
Current Assets:				
Cash	$ 2,727,372	$ 336,918	$ (5,287,094)	$ (150,254)
Accounts Receivable (Net of Allowances)	112,125	464,836	758,913	57,924
Inventories, at cost	512,437	562,719		212,662
Prepaid Expenses	1,417		91,616	149
Total Current Assets	$ 3,353,351	$ 1,364,473	$ (4,436,564)	$ 120,482
Restricted and Other Assets:				
Accounts Receivable-Deferred	$	$	$	$
Cash on Deposit with Escrow Agent	314,958			
Investment in Agri-Mark Cooperative		20,828		
Imprest Fund-Advances From State Treasurer		100		
Total Restricted and Other Assets	$ 314,958	$ 20,928	$	$
Fixed Assets:				
Machinery, Equipment, Buildings and Livestock	$ 18,480,275	$ 1,317,358	$ 9,299,220	$ 132,191
Accumulated Depreciation	(7,826,442)	(620,042)	(4,577,772)	(85,633)
Net Machinery, Equipment, Buildings and Livestock	$ 10,653,833	$ 697,316	$ 4,721,448	$ 46,558
Land	26,156			
Total Fixed Assets	$ 10,679,989	$ 697,316	$ 4,721,448	$ 46,558
Total Assets	$ 14,348,299	$ 2,082,717	$ 284,884	$ 167,040
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current Liabilities:				
Accounts Payable	$ 1,107,793	$ 111,272	$ 17,524	$ 21,737
Accrued Salaries and Benefits	159,403	77,915	259,817	9,251
Installments Payable on Equipment Purchases-Current Portion	957,575		154,231	
Total Current Liabilities	$ 2,224,770	$ 189,186	$ 431,572	$ 30,988
Other Liabilities Payable From:				
Restricted Assets:				
Due to State Treasurer-Imprest Fund Advances		100		
Long Term Liabilities:				
Installments Payable on Equipment Purchases-Non-Current Portion			4,112	
Total Liabilities	$ 2,224,770	$ 189,286	$ 435,684	$ 30,988
Fund Equity:				
Contributed Capital:				
Legislative Appropriations	$ 7,317,553	$ 20,000	$ 1,050,007	$
Other Funds	251,040	112,129		59,685
Retained Earnings (Deficit)	4,554,936	1,761,302	(1,200,808)	76,367
Total Fund Equity	$ 12,123,528	$ 1,893,431	$ (150,801)	$ 136,052
Total Liabilities and Fund Equity	$ 14,348,299	$ 2,082,717	$ 284,884	$ 167,040

The accompanying notes are an integral part of the financial statements.

Central Stores Fund	Copy Center Fund	Tele-communications Fund	Central Support Services Fund	Totals	
				June 30, 1989	June 30, 1988
$ (150,254)	$ (117,097)	$ (370,975)	$ (390,044)	$ (3,251,174)	$ (2,895,377)
57,924	54,795	438,298	183,514	2,070,406	1,502,970
212,662	2,521	11,202	239,733	1,541,274	1,595,961
149	22,390	8,105	29,842	153,520	148,433
$ 120,482	$ (37,390)	$ 86,630	$ 63,045	$ 514,026	$ 351,988
$	$	$	$	$	$ 30,783
				314,958	314,731
				20,828	20,828
				100	100
$	$	$	$	$ 335,886	$ 366,442
$ 132,191	$ 413,847	$ 176,358	$ 628,096	$ 30,447,344	$ 27,097,747
(85,633)	(183,178)	(157,723)	(328,968)	(13,779,758)	(11,762,677)
$ 46,558	$ 230,669	$ 18,635	$ 299,128	$ 16,667,587	$ 15,335,070
				26,156	26,155
$ 46,558	$ 230,669	$ 18,635	$ 299,128	$ 16,693,743	$ 15,361,226
$ 167,040	$ 193,279	$ 105,265	$ 362,173	$ 17,543,655	$ 16,079,657
$ 21,737	$ 17,984	$ 114,762	$ 48,071	$ 1,439,142	$ 650,370
9,251	6,406	2,806	36,588	552,186	478,272
				1,111,806	1,728,306
$ 30,988	$ 24,390	$ 117,568	$ 84,659	$ 3,103,133	$ 2,856,949
				100	100
$ 30,988	$ 24,390	$ 117,568	$ 84,659	4,112	1,116,011
				$ 3,107,345	$ 3,973,061
	$	$	$	$ 8,387,560	$ 7,381,027
59,685	30,442	2,105	68,168	523,569	405,999
76,367	138,447	(14,408)	209,346	5,525,182	4,319,568
136,052	$ 168,889	$ (12,303)	$ 277,514	$ 14,436,310	$ 12,106,596
167,040	$ 193,279	$ 105,265	$ 362,173	$ 17,543,655	$ 16,079,657

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Highway Garage Fund	Correctional Industries Fund	State Information Systems Fund	Central Stores Fund
Operating Revenues:				
Charges for Sales and Services	$ 6,354,688	$ 2,276,508	$ 5,224,868	$ 541,075
Operating Revenue Deductions:				
Cost of Services	$ 2,042,454	$ 1,082,680	$	$ 457,332
Operating Expenses:				
Salaries	549,461	617,053	1,878,599	40,836
Fixed Charges-Salaries			481,601	11,338
Supplies and Parts		70,401	216,754	683
Agriculture and Horticulture Supplies		59,688		
Data Processing Charges			12,903	8,214
Transportation			20,777	241
Telephone/Telegraph			28,891	950
Postage			1,797	
Printing and Duplicating			3,842	268
Rental of Data Processing Equipment			348,961	
Other Equipment Rentals				
Equipment Purchased for Agencies			505,293	
Repair and Maintenance	688,850		324,674	1,282
Interest Expense	138,864		43,540	
Administrative Services Costs			227,107	5,247
Operating Overhead	540,949			
Depreciation of Equipment	1,782,991	84,045	1,033,672	37,161
Depreciation(Appreciation) of Dairy Cattle		(13,500)		
Loss(Gain) on Disposal of Fixed Assets	(203,860)	9,263	1,868	2,752
Mortality Losses-Dairy Cattle		1,475		
Other Operating Expenses		162,131	128,029	2,018
Total Operating Revenue Deductions	$ 5,539,709	$ 2,073,236	$ 5,258,308	$ 568,323
Operating Income(Loss)	$ 814,979	$ 203,272	$ (33,440)	$ (27,248)
Non-Operating Revenues(Expenses):				
Building Rentals	$ 21,275	$	$	$
Equipment Rentals				52,744
Interest Income	27,378			
Other Non-Operating Revenues(Expenses)	(340)	6,947		
Total Non-Operating Revenues	$ 48,313	$ 6,947	$	$ 52,744
Income(Loss) Before Operating Transfers	$ 863,291	$ 210,219	$ (33,440)	$ 25,496
Operating Transfers In(Out):				
From General Fund				
From Transportation Fund			6,908	
From Agency of Natural Resources				
Net Income(Loss)	$ 863,291	$ 210,219	$ (26,532)	$ 25,496
Retained Earnings, July 1	3,691,645	1,551,083	(1,174,275)	50,871
Residual equity transfers out-				
Telecommunications Fund				
Retained Earnings, June 30	$ 4,554,936	$ 1,761,302	$ (1,200,808)	$ 76,367

The accompanying notes are an integral part of the financial statements.

Copy Center Fund	Tele-communications Fund	Central Support Services Fund	Totals 1989	Totals 1988
$ 367,857	$ 1,863,905	$ 1,726,092	$ 18,354,993	$ 17,174,859
$ 62,844	$ 1,782,040	$ 979,342	$ 6,406,692	$ 5,781,075
61,881	23,851	269,399	3,441,082	3,219,355
17,787	5,604	70,584	586,915	514,499
3,810	9,111	53,660	354,419	382,806
			59,688	58,050
418	7,166	10,169	38,869	32,969
	541	3,907	25,467	6,322
597	929	9,054	40,421	30,719
	107	511	2,416	2,357
21,922	503	2,598	29,132	17,844
6,273	5,987	13,818	375,039	410,309
	215		215	3,000
			505,293	378,463
69,733	1,630	105,337	1,191,506	1,052,112
			182,404	408,874
5,247	28,009	15,741	281,352	265,739
			540,949	486,372
64,455	972	95,558	3,098,853	2,913,618
			(13,500)	(11,025)
(1,655)		(1,991)	(193,624)	(141,682)
			1,475	600
513	14,480	2,835	310,007	357,518
$ 313,825	$ 1,881,144	$ 1,630,521	$ 17,265,066	$ 16,169,903
$ 54,032	$ (17,239)	$ 95,572	$ 1,089,927	$ 1,004,955
$	$	$	$ 21,275	$ 20,457
	775		53,519	48,239
			27,378	41,678
			6,607	(1,255)
$	$ 775	$	$ 108,778	$ 109,119
$ 54,032	$ (16,464)	$ 95,572	$ 1,198,705	$ 1,114,074
				4,221
			6,908	8,700
				14,740
$ 54,032	$ (16,464)	$ 95,572	$ 1,205,613	$ 1,141,735
84,415	2,056	113,774	4,319,569	3,179,632
				(1,800)
$ 138,447	$ (14,408)	$ 209,346	$ 5,525,182	$ 4,319,568

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Highway Garage Fund	Correctional Industries Fund	State Information Systems Fund	Central Stores Fund
Cash Flows From Operating Activities:				
Cash Received From Customers	$ 6,386,540	$ 2,045,599	$ 5,002,306	$ 582,678
Cash Paid to Suppliers and Employees	(3,659,242)	(2,026,576)	(4,121,747)	(560,482)
Interest Received	27,378			
Interest Paid	(138,864)			
Other Cash Received From Operations		6,947	6,908	
Net Cash Provided(Used) by Operating Activities	$ 2,615,812	$ 25,970	$ 887,468	$ 22,196
Cash Flows From Investing Activities:				
Proceeds From Sale of Fixed Assets	$ 328,072	$ 1,176	$ 250	$
Purchase of Fixed Assets	(1,105,487)	(51,884)	(2,282,713)	(4,877)
Construction	(78,833)			
Net Cash(Used) by Investing Activities	$ (856,247)	$ (50,708)	$ (2,282,463)	$ (4,877)
Cash Flows From Financing Activities:				
Contributions-Appropriations	$ 579,800	$	$ 339,232	$
Principal Payments-Capital Leases	(1,095,118)		(633,281)	
Net Cash(Used) by Financing Activities	$ (515,318)	$	$ (294,049)	$
Noncash Transactions Affecting Financial Position:				
Contributions of Fixed Assets From Government	$ 117,569	$	$	$
Acquisition of Fixed Assets through Government Capital Contributions	(117,569)			
Borrowing From Suppliers on Account	822,787	1,572		
Acquisition of Fixed Assets on Account	(822,787)	(1,572)		
Acquisition of Fixed Assets Through Trade-in Value of Traded Fixed Assets				
Net Effect of Noncash Transactions	$ 0	$ 0	$	$
Net Increase(Decrease) in Cash	$ 1,244,246	$ (24,738)	$ (1,689,045)	$ 17,319
Cash, July 1	1,798,084	361,656	(3,598,049)	(167,572)
Cash, June 30	$ 3,042,330	$ 336,918	$ (5,287,094)	$ (150,254)
Reconciliation of Net Income to Net Cash Provided(Used) by Operating Activities				
Net Income(Loss)	$ 863,291	$ 210,219	$ (26,532)	$ 25,496
Adjustments to Reconcile Net Income to Net Cash Provided(Used) by Operating Activities:				
Depreciation Expense	$ 1,831,330	$ 84,045	$ 1,033,672	$ 37,161
(Appreciation) of Dairy Cattle		(13,500)		
(Gain)Loss on Disposal of Fixed Assets	(211,568)	10,738	1,868	2,752
(Increase)Decrease in Accounts Receivable	(24,461)	(240,071)	(163,455)	(10,382)
(Increase)Decrease in Prepaid Expenses	(1,417)		(575)	(149)
(Increase)Decrease in Inventories	112,244	5,178		(47,785)
Increase(Decrease) in Accounts Payable	840,181	(51,173)	7,764	14,346
(Increase)Decrease in Accounts Payable Related to Equipment Purchase	(822,787)	12,944		
Increase(Decrease) in Accrued Salaries and Benefits	28,998	7,590	34,727	758
Total Adjustments	$ 1,752,521	$ (184,249)	$ 914,000	$ (3,300)
Net Cash Provided(Used) by Operating Activities	$ 2,615,812	$ 25,970	$ 887,468	$ 22,196

The accompanying notes are an integral part of the financial statements.

Copy Center Fund	Tele-communications Fund	Central Support Services Fund	Totals 1989	Totals 1988
$ 359,971	$ 1,736,153	$ 1,847,070	$ 17,960,318	$ 16,873,449
(268,385)	(1,880,097)	(1,556,214)	(14,072,742)	(13,016,997)
			27,378	41,678
			(138,864)	(222,750)
			13,855	
$ 91,586	$ (143,944)	$ 290,856	$ 3,789,944	$ 3,675,380
$	$	$ (89,399)	$ 240,099	$ 386,844
(52,451)			(3,497,412)	(4,134,561)
			(78,833)	
$ (52,451)	$	$ (89,399)	$ (3,336,146)	$ (3,747,717)
$	$	$	$ 919,032	$ 837,495
			(1,728,400)	(1,930,979)
$	$	$	$ (809,368)	$ (1,093,484)
$	$	$	$ 117,569	$ 33,951
			(117,569)	(33,951)
			824,359	2,738
			(824,359)	(2,738)
				42,375
				(42,375)
$	$	$	$ 0	$ 0
$ 39,135	$ (143,944)	$ 201,457	$ (355,569)	$ (1,165,820)
(156,232)	(227,031)	(591,502)	(2,580,646)	(1,414,826)
$ (117,097)	$ (370,975)	$ (390,044)	$ (2,936,215)	$ (2,580,646)
$ 54,032	$ (16,464)	$ 95,572	$ 1,205,613	$ 1,141,736
$ 64,455	$ 972	$ 95,558	$ 3,147,193	$ 2,957,333
			(13,500)	(11,025)
(1,655)		(1,991)	(199,857)	(135,612)
(7,886)	(132,618)	120,510	(458,363)	(401,983)
8,781	4,386	(16,112)	(5,086)	(33,721)
1,798	(1,005)	(15,742)	54,687	(76,778)
(24,321)	404	10,779	797,981	186,123
(5,532)		2,738	(812,637)	(2,738)
1,914	381	(454)	73,913	52,047
$ 37,555	$ (127,479)	$ 195,285	$ 2,584,332	$ 2,533,645
$ 91,586	$ (143,944)	$ 290,856	$ 3,789,944	$ 3,675,380

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FIDUCIARY FUNDS

STATE OF VERMONT
COMBINING BALANCE SHEET-ALL FIDUCIARY FUNDS
JUNE 30, 1989

	Pension Trust Funds	Nonexpendable Trust Funds	
		Endowment Principal	Revolving Loan
ASSETS			
Cash	$ (2,254,922)	$ 38,449	$ 976,495
Investments	603,422,297	352,551	
Receivables:			
Contributions	559,026		
Investment Principal and Interest	32,212,448		
Loans			1,432,748
Other			
Total Assets	$ 633,938,849	$ 390,999	$ 2,409,243
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 19,983,087	$	$
Due to Depositories			
Deferred Revenue			
Amounts Held in Custody for Others			
Other Liabilities			
Total Liabilities	$ 19,983,087	$	$
Fund Balances:			
Reserved for Loans	$	$	$ 2,409,243
Reserved for Endowments, Claims and Distributions		390,999	
Reserved for Pension Benefits	613,955,763		
Reserved for Unemployment Compensation Benefits			
Reserved for Contingencies			
Total Fund Balances	$ 613,955,763	$ 390,999	$ 2,409,243
Total Liabilities and Fund Balances	$ 633,938,849	$ 390,999	$ 2,409,243

The accompanying notes are an integral part of the financial statements.

Expendable Trust Funds	Agency Fund	Totals June 30, 1989	June 30, 1988
$ 202,506,282	$ 537,963	$ 201,804,267	$ 159,584,605
67,070	117,117,255	720,959,173	620,539,140
14,456,160		15,015,186	17,989,724
		32,212,448	13,174,207
		1,432,748	1,533,383
303,548	12,290	315,838	149,581
$ 217,333,060	$ 117,667,509	$ 971,739,660	$ 812,970,643
$ 303,918	$	$ 20,287,005	$ 8,593,711
	527,893	527,893	445,928
1,759,144		1,759,144	3,114,340
	117,117,255	117,117,255	100,927,225
528,948	22,360	551,308	288,087
$ 2,592,010	$ 117,667,509	$ 140,242,606	$ 113,369,292
$	$	$ 2,409,243	$ 2,328,294
21,944,654		22,335,653	21,487,442
		613,955,763	522,892,787
192,415,358		192,415,358	152,464,176
381,038		381,038	428,651
$ 214,741,050	$	$ 831,497,055	$ 699,601,351
$ 217,333,060	$ 117,667,509	$ 971,739,660	$ 812,970,643

STATE OF VERMONT
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund	Totals June 30, 1989	Totals June 30, 1988
ASSETS					
Cash	$ (1,331,012)	$ (905,996)	$ (17,914)	$ (2,254,922)	$ (1,570,079)
Investments	273,805,631	303,397,416	26,219,251	603,422,297	519,181,619
Receivables:					
Pension Contributions	42,265	89,854	426,907	559,026	488,043
Investment Principal and Interest	19,046,674	12,315,497	850,277	32,212,448	13,174,136
Total Assets	$ 291,563,558	$ 314,896,770	$ 27,478,521	$ 633,938,849	$ 531,273,719
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 15,048,713	$ 4,921,481	$ 12,893	$ 19,983,087	$ 8,380,932
Fund Balances:					
Reserved for Pension Benefits	276,514,845	309,975,289	27,465,629	613,955,763	522,892,787
Total Liabilities and Fund Balances	$ 291,563,558	$ 314,896,770	$ 27,478,521	$ 633,938,849	$ 531,273,719

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund	Totals 1989	Totals 1988
Operating Revenues:					
Investment Income	$ 18,608,934	$ 22,608,689	$ 1,922,321	$ 43,139,944	$ 34,577,994
Employee Contributions	886,636	484,027	992,319	2,362,982	2,248,485
State of Vermont Contributions	19,052,695	19,000,000		38,052,695	34,631,830
Other Employer Contributions	212,831		1,183,012	1,395,843	1,241,277
Gain on Investment Transactions	20,449,653	16,496,623	1,473,121	38,419,397	17,775,330
Other Income		196,983		196,983	15,976
Total Operating Revenues	$ 59,210,748	$ 58,786,322	$ 5,570,773	$ 123,567,843	$ 90,490,894
Operating Expenses:					
Benefit Payments	$ 12,983,568	$ 14,375,833	$ 548,553	$ 27,907,955	$ 25,611,931
Refunds	213,294	103,038	140,116	456,448	3,278,878
Administrative and Other Expenses	2,318,201	1,684,081	138,183	4,140,465	3,731,429
Total Operating Expenses	$ 15,515,063	$ 16,162,951	$ 826,853	$ 32,504,867	$ 32,622,240
Net Income	$ 43,695,686	$ 42,623,371	$ 4,743,920	$ 91,062,976	$ 57,868,654
Fund Balances, July 1	232,819,159	267,351,919	22,721,709	522,892,787	465,024,133
Fund Balances, June 30	$ 276,514,845	$ 309,975,289	$ 27,465,629	$ 613,955,763	$ 522,892,787

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Endowment Principal					
	Vermont Sanatorium Fund	Albert C. Lord Trust Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Carrie P. Underwood Fund	Couching Lion Farm Cemetery Fund
ASSETS						
Cash	$ 12,825	$	$ 1,065	$ 1,000	$ 10,000	$ 1,930
Investments	189,506	163,045				
Loans Receivable						
Total Assets	$ 202,331	$ 163,045	$ 1,065	$ 1,000	$ 10,000	$ 1,930
FUND BALANCES						
Reserved for Loans	$	$	$	$	$	$
Reserved for Endowments	202,331	163,045	1,065	1,000	10,000	1,930
Total Fund Balances	$ 202,331	$ 163,045	$ 1,065	$ 1,000	$ 10,000	$ 1,930

The accompanying notes are an integral part of the financial statements.

			Revolving Loan				
Laura H. Morgan Fund	Lumberjack Fund	Total Endowment Principal	Vermont Rehabilitation Corp.	Municipal Heavy Equipment Loan Fund	Total Revolving Loan	Totals June 30, 1989	Totals June 30, 1988
$ 2,500	$ 9,129	$ 38,449	$ 37,719	$ 938,776	$ 976,495	$ 1,014,944	$ 821,477
		352,551				352,551	364,347
			169,198	1,263,550	1,432,748	1,432,748	1,533,383
$ 2,500	$ 9,129	$ 390,999	$ 206,918	$ 2,202,325	$ 2,409,243	$ 2,800,242	$ 2,719,208
$	$	$	$ 206,918	$ 2,202,325	$ 2,409,243	$ 2,409,243	$ 2,328,294
2,500	9,129	390,999				390,999	390,914
$ 2,500	$ 9,129	$ 390,999	$ 206,918	$ 2,202,325	$ 2,409,243	$ 2,800,242	$ 2,719,208

STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Endowment Principal					
	Vermont Sanatorium Fund	Albert C. Lord Trust Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Carrie P. Underwood Fund	Couching Lion Farm Cemetery Fund
Operating Revenues:						
Investment Income	$ 20,642	$ 24,264	$ 57	$ 54	$ 538	$ 671
Bad Debt Recovery						
Gain on Investment Transactions	84					
Total Operating Revenues	$ 20,727	$ 24,264	$ 57	$ 54	$ 538	$ 671
Operating Expenses:						
Per Diem and Mileage	$	$	$	$	$	$
Other Expenses						
Total Operating Expenses	$	$	$	$	$	$
Income (Loss) Before Operating Transfers	$ 20,727	$ 24,264	$ 57	$ 54	$ 538	$ 671
Operating Transfers In(Out)	(20,642)	(24,264)	(57)	(54)	(538)	(671)
Net Income(Loss)	$ 84	$ 0	$ 0	$ 0	$ 0	$ 0
Fund Balance, July 1	202,246	163,045	1,065	1,000	10,000	1,930
Fund Balance, June 30	$ 202,331	$ 163,045	$ 1,065	$ 1,000	$ 10,000	$ 1,930

The accompanying notes are an integral part of the financial statements.

Laura H. Morgan Fund	Lumberjack Fund	Total Endowment Principal	Revolving Loan: Vermont Rehabilitation Corp.	Revolving Loan: Municipal Heavy Equipment Loan Fund	Revolving Loan: Total Revolving Loan	Totals: 1989	Totals: 1988
152	$ 812	$ 47,190	$ 11,423	$ 71,118	$ 82,540	$ 129,730	$ 122,573
							20,000
		84				84	3,236
152	$ 812	$ 47,274	$ 11,423	$ 71,118	$ 82,540	$ 129,815	$ 145,810
	$	$	$ 382	$	$ 382	$ 382	$ 1,608
			1,210		1,210	1,210	458
	$	$	$ 1,592	$	$ 1,592	$ 1,592	$ 2,067
152	$ 812	$ 47,274	$ 9,831	$ 71,118	$ 80,949	$ 128,223	$ 143,743
(152)	(812)	(47,190)		2,131,207		(47,190)	(48,714)
0	$ 0	$ 84	$ 9,831	$ 2,202,325	$ 80,949	$ 81,033	$ 95,028
2,500	9,129	390,915	197,087		2,328,294	2,719,208	2,624,180
2,500	$ 9,129	$ 390,999	$ 206,918	$ 2,202,325	$ 2,409,243	$ 2,800,242	$ 2,719,208

STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Endowment Principal					
	Vermont Sanatorium Fund	Albert C. Lord Trust Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Carrie P. Underwood Fund	Couching Lion Farm Cemetery Fund
Cash Flows From Operating Activities:						
Investment Income	$ 17,524	$ 23,088	$ 57	$ 54	$ 538	$ 671
Cash Paid to Suppliers, Employees and Other Funds	(20,642)	(24,264)	(57)	(54)	(538)	(671)
Net Cash Provided(Used) by Operating Activities	$ (3,118)	$ (1,176)	$ 0	$ 0	$ 0	$ 0
Cash Flows From Investing Activities:						
Proceeds From Sales/Transfers of Investments	$ 15,000	$ 1,176	$	$	$	
Purchase of Investments						
Loans Made						
Loan Repayments Received						
Net Cash Provided(Used) by Investing Activities	$ 15,000	$ 1,176	$	$	$	$
Net Increase(Decrease) in Cash	$ 11,882	$ 0	$ 0	$ 0	$ 0	$ 0
Cash, July 1	943	0	1,065	1,000	10,000	1,930
Cash, June 30	$ 12,825	$ 0	$ 1,065	$ 1,000	$ 10,000	$ 1,930
Reconciliation of Net Income to Net Cash Provided(Used) by Operating Activities						
Net Income	$ 84	$	$	$	$	$
Adjustments to Reconcile Net Income to Net Cash Provided(Used) by Operating Activities:						
Gain on Sales of Investments	$ (84)	$	$	$	$	$
Amortization of Bond Discounts	(3,118)	(1,176)				
Extraordinary Loss(Gain)						
Total Adjustments	$ (3,203)	$ (1,176)	$	$	$	$
Net Cash Provided(Used) by Operating Activities	$ (3,118)	$ (1,176)	$	$	$	$

The accompanying notes are an integral part of the financial statements.

Laura H. Morgan Fund	Lumberjack Fund	Total Endowment Principal	Revolving Loan: Vermont Rehabilitation Corp.	Revolving Loan: Municipal Heavy Equipment Loan Fund	Revolving Loan: Total Revolving Loan	Totals: 1989	Totals: 1988
$ 152	$ 812	$ 42,896	$ 11,423	$ 71,118	$ 82,540	$ 125,436	$ 118,308
(152)	(812)	(47,190)	(592)		(592)	(47,782)	(50,782)
$ 0	$ 0	$ (4,294)	$ 10,831	$ 71,118	$ 81,949	$ 77,654	$ 67,526
$	$	$ 16,176	$	$	$	$ 16,176	$ 66,708
							(67,557)
			(105,000)	(455,299)	(560,299)	(560,299)	(945,004)
			70,244	589,691	659,934	659,934	391,492
$	$	$ 16,176	$ (34,756)	$ 134,392	$ 99,635	$ 115,812	$ (554,361)
$ 0	$ 0	$ 11,882	$ (23,925)	$ 205,509	$ 181,584	$ 193,466	$ (486,835)
2,500	9,129	26,567	61,645	733,266	794,911	821,478	1,308,313
$ 2,500	$ 9,129	$ 38,449	$ 37,719	$ 938,776	$ 976,495	$ 1,014,944	$ 821,478
$	$	$ 84	$ 9,831	$ 71,118	$ 80,949	$ 81,033	$ 95,028
$	$	$ (84)	$	$	$	$ (84)	$ (3,237)
		(4,294)				(4,294)	(4,266)
			1,000		1,000	1,000	(20,000)
$	$	$ (4,379)	$ 1,000	$	$ 1,000	$ (3,379)	$ (27,502)
$	$	$ (4,294)	$ 10,831	$ 71,118	$ 81,949	$ 77,654	$ 67,526

STATE OF VERMONT
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Unemployment Compensation Trust Fund	Property Tax Relief Trust Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund	Independence Fund
ASSETS						
Cash	$ 180,301,208	$ 8,950,956	$ 1,045,596	$ 1,152,078	$ 914,796	$ 369,407
Investments						
Accrued Interest Purchased						
Receivables:						
Contributions	14,456,160					
Interfund				50,000	200,000	
Total Assets	$ 194,757,368	$ 8,950,956	$ 1,045,596	$ 1,202,078	$ 1,114,796	$ 369,407
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 303,918	$	$	$	$	$
Interfund Payables	53,548		250,000			
Accrued Salaries and Benefits	225,400					
Deferred Revenue	1,759,144					
Total Liabilities	$ 2,342,010	$	$ 250,000	$	$	$
Fund Balances:						
Reserved for Claims and Distributions	$	$ 8,950,956	$ 795,596	$ 1,202,078	$ 1,114,796	$ 369,407
Reserved for Unemployment Compensation Benefits	192,415,358					
Reserved for Contingencies						
Total Fund Balances	$ 192,415,358	$ 8,950,956	$ 795,596	$ 1,202,078	$ 1,114,796	$ 369,407
Total Liabilities and Fund Balances	$ 194,757,368	$ 8,950,956	$ 1,045,596	$ 1,202,078	$ 1,114,796	$ 369,407

The accompanying notes are an integral part of the financial statements.

Vt. State Dairy Industry Fund	Exxon Settlement Fund	Stripper Well Settlement Fund	All Other Expendable Trust Funds	Totals June 30, 1989	Totals June 30, 1988
262,810	$ 2,449,802	$ 1,992,950	$ 5,066,679	$ 202,506,282	$ 159,894,676
			67,070	67,070	65,947
					71
				14,456,160	17,501,681
			53,548	303,548	100,276
262,810	$ 2,449,802	$ 1,992,950	$ 5,187,297	$ 217,333,060	$ 177,562,652
	$	$	$	$ 303,918	$ 110,674
				303,548	100,276
				225,400	248,007
				1,759,144	3,114,340
	$	$	$	$ 2,592,010	$ 3,573,297
262,810	$ 2,449,802	$ 1,992,950	$ 4,806,259	$ 21,944,654	$ 21,096,527
				192,415,358	152,464,175
			381,038	381,038	428,651
262,810	$ 2,449,802	$ 1,992,950	$ 5,187,297	$ 214,741,050	$ 173,989,354
262,810	$ 2,449,802	$ 1,992,950	$ 5,187,297	$ 217,333,060	$ 177,562,652

STATE OF VERMONT
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Unemployment Compensation Trust Fund	Property Tax Relief Trust Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund	Independence Fund
Operating Revenues:						
Contributions	$ 51,733,489	$	$	$	$	$
Investment Income	13,515,159	908,993	114,394	77,534	61,699	37,263
Unclaimed Tickets						
Insurance Claims						
Taxes and Assessments		4,975,953				
Abandoned Property						
Insurance Premiums Collected			14,189,043	1,797,980	589,686	
Other	394,629					
Total Operating Revenues	$ 65,643,277	$ 5,884,946	$ 14,303,437	$ 1,875,515	$ 651,385	$ 37,263
Operating Expenses:						
Salaries and Administrative Fees	$	$ 270,000	$ 86,967	$ 14,899	$ 7,221	$
Benefit Payments	24,822,022	13,643,041				
Insurance Claims			13,139,995	1,482,102	304,399	
Insurance Premiums			687,064	122,725	28,042	
Fire Loss						
Other	388,479					
Total Operating Expenses	$ 25,210,501	$ 13,913,041	$ 13,914,026	$ 1,619,727	$ 339,662	$
Excess(Deficiency) of Revenue Over Expenditures	$ 40,432,776	$ (8,028,095)	$ 389,411	$ 255,788	$ 311,723	$ 37,263
Other Financing Sources (Uses):						
Operating Transfers In	$ 150,000	$ 9,500,000	$	$	$	$ 407,680
Operating Transfers (Out)	(631,594)					(415,000)
Total Other Financing Sources (Uses)	$ (481,594)	$ 9,500,000	$	$	$	$ (7,320)
Excess(Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	$ 39,951,182	$ 1,471,905	$ 389,411	$ 255,788	$ 311,723	$ 29,943
Fund Balances, July 1	152,464,176	7,479,050	406,185	946,290	803,073	339,464
Fund Balances, June 30	$ 192,415,358	$ 8,950,956	$ 795,596	$ 1,202,078	$ 1,114,796	$ 369,407

The accompanying notes are an integral part of the financial statements.

Vt. State Dairy Industry Fund	Exxon Settlement Fund	Stripper Well Settlement Fund	All Other Expendable Trust Funds	Totals 1989	Totals 1988
$	$	$	$	$ 51,733,489	$ 56,550,932
8,224	238,960	200,939	413,280	15,576,446	11,410,581
			36,789	36,789	31,537
			11,353	11,353	1,713,231
2,204,678			193,864	7,374,495	5,875,012
			341,394	341,394	247,161
				16,576,710	12,499,364
				394,629	705,661
$ 2,212,902	$ 238,960	$ 200,939	$ 996,681	$ 92,045,304	$ 89,033,482
$	$	$	$ 54,220	$ 433,307	$ 498,905
			76,967	38,542,030	35,140,815
			83,395	15,009,892	12,961,172
				837,831	602,425
					87,774
			53,739	442,218	683,895
$	$	$	$ 268,321	$ 55,265,279	$ 49,974,988
$ 2,212,902	$ 238,960	$ 200,939	$ 728,359	$ 36,780,025	$ 39,058,494
$	$ 560,847	$ 121,922	$ 1,272,808	$ 12,013,257	$ 11,302,846
(2,190,369)	(2,072,500)	(961,272)	(1,770,853)	(8,041,588)	(6,420,206)
$ (2,190,369)	$ (1,511,653)	$ (839,350)	$ (498,045)	$ 3,971,670	$ 4,882,639
$ 22,533	$ (1,272,693)	$ (638,411)	$ 230,314	$ 40,751,695	$ 43,941,134
240,277	3,722,495	2,631,361	4,956,983	173,989,355	130,048,220
$ 262,810	$ 2,449,802	$ 1,992,950	$ 5,187,297	$ 214,741,050	$ 173,989,354

STATE OF VERMONT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	Balance July 1, 1988	Additions	Deductions	Balance June 30, 1989
RETIREMENT SYSTEM CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash	$ (50)	$ 19,933,136	$ 19,932,735	$ 351
Accounts Receivable	50		50	
Total Assets	$	$ 19,933,136	$ 19,932,785	$ 351
LIABILITIES				
Due to Depositories	$	$ 19,933,136	$ 19,932,785	$ 351
FEDERAL INCOME TAX WITHHOLDINGS FUND				
ASSETS				
Cash	$ 333	$ 23,604,103	$ 23,604,103	$ 333
LIABILITIES				
Due to Depositories	$ 333	$ 23,604,103	$ 23,604,103	$ 333
STATE INCOME TAX WITHHOLDINGS FUND				
ASSETS				
Cash	$ 377,736	$ 5,600,423	$ 5,521,557	$ 456,601
LIABILITIES				
Due to Depositories	$ 377,736	$ 5,600,423	$ 5,521,557	$ 456,601
SOCIAL SECURITY TAX CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash	$ 61,820	$ 27,428,515	$ 27,428,566	$ 61,769
LIABILITIES				
Due to Depositories	$ 61,820	$ 27,428,515	$ 27,428,566	$ 61,769
EMPLOYEES CREDIT UNION WITHHOLDINGS FUND				
ASSETS				
Cash	$ 99	$ 27,916,893	$ 27,916,789	$ 203
LIABILITIES				
Due to Depositories	$ 99	$ 27,916,893	$ 27,916,789	$ 203

	Balance July 1, 1988	Additions	Deductions	Balance June 30, 1989
EMPLOYEES INSURANCE CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash	$ 1,660	$ 16,255,102	$ 16,251,957	$ 4,806
LIABILITIES				
Due to Depositories	$ 1,660	$ 16,255,102	$ 16,251,957	$ 4,806
EMPLOYEES DEFERRED INCOME WITHHOLDINGS FUND				
ASSETS				
Cash	$	$ 3,634,873	$ 3,635,231	$ (358)
Accounts Receivable		358		358
Total Assets	$	$ 3,635,231	$ 3,635,231	$
LIABILITIES				
Due to Depositories	$	$ 3,635,231	$ 3,635,231	$
OTHER EMPLOYEE WITHHOLDINGS FUNDS				
ASSETS				
Cash	$ (6,078)	$ 1,136,734	$ 1,132,774	$ (2,118)
Accounts Receivable	10,358		4,411	5,947
Total Assets	$ 4,280	$ 1,136,734	$ 1,137,185	$ 3,829
LIABILITIES				
Due to Depositories	$ 4,280	$ 1,136,734	$ 1,137,185	$ 3,829
UNIDENTIFIED RECEIPTS FUND				
ASSETS				
Cash	$ (38,897)	$ 1,227,842	$ 1,194,830	$ (5,885)
Accounts Receivable	38,897		33,012	5,885
Total Assets	$	$ 1,227,842	$ 1,227,842	$
LIABILITIES				
Other Liabilities	$	$ 1,227,842	$ 1,227,842	$
DEFERRED COMPENSATION FUND				
ASSETS				
Investments, at Market	$ 24,056,358	$ 6,305,845	$ 779,117	$ 29,583,086

	Balance July 1, 1988	Additions	Deductions	Balance June 30, 1989
SINGLE DEPOSIT INVESTMENT FUND				
ASSETS				
Investments, at Cost	$ 76,870,867	$ 11,549,512	$ 886,210	$ 87,534,169
LIABILITIES				
Amounts Held in Custody for Others	$ 76,870,867	$ 11,549,512	$ 886,210	$ 87,534,169
VENDOR AND OTHER DEPOSITS FUND				
ASSETS				
Cash	$ 41,909	$ 11,982	$ 31,631	$ 22,260
Accounts Receivable		100		100
Total Assets	$ 41,909	$ 12,082	$ 31,631	$ 22,360
LIABILITIES				
Accounts Payable	$ 1,829	$	$ 1,829	$
Other Liabilities	40,080	12,082	29,802	22,360
Total Liabilities	$ 41,909	$ 12,082	$ 31,631	$ 22,360
TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash	$ 438,531	$ 126,749,605	$ 126,650,173	$ 537,963
Accounts Receivable	49,305	458	37,473	12,290
Investments	100,927,225	17,855,357	1,665,327	117,117,255
Total Assets	$ 101,415,062	$ 144,605,420	$ 128,352,973	$ 117,667,509
LIABILITIES				
Accounts Payable	$ 1,829	$	$ 1,829	$
Due to Depositories	445,928	125,510,139	125,428,174	527,893
Amounts Held in Custody for Others	100,927,225	17,855,357	1,665,327	117,117,255
Other Liabilities	40,080	1,239,924	1,257,644	22,360
Total Liabilities	$ 101,415,062	$ 144,605,420	$ 128,352,973	$ 117,667,509

The accompanying notes are an integral part of the financial statements.